



Strengthening business sustainability

Bhageria Industries Limited
Annual Report 2018-19

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Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



Strengthening business sustainability

At Bhageria Industries, we invested in our business with the objective to strengthen multi-year sustainability.

We invested in increased capacities, integrated backwards, enriched our knowledge capital, strengthened our product mix, enhanced wallet share, moderated costs and repaid debt.

The result is that we are optimistic of generating attractive growth every single year from now onwards.

With the objective to graduate the Company towards ₹1000 crore in turnover in five years with half our revenues derived from exports.

The exciting world of Bhageria Industries

Established in 1989, Bhageria Industries Limited is one of the leading manufacturer and exporter of intermediates and dyes. The Company is respected by some of the demanding global customers for superior quality products, consistency in supplies and timely delivery.

Manufacturing facilities

The Company manufactures products across facilities - at Vapi (Gujarat) and Boisar (Maharashtra). These facilities have been invested with scale, cutting-edge manufacturing equipment and effluent treatment systems, enhancing systemic uptime and stability.

Business

The Company manufactures dye intermediates products like Vinyl Sulphone, H-Acid and Gamma Acid. The Company also generates solar power through a 30 MW solar facility in Ahmednagar (Maharashtra) and 4.88 MWP solar rooftop plants located mostly in Chennai.

Stringent compliance

The Company has been accredited with the OHSAS 45001:2018, ISO 14001:2015 and ISO 9001:2015 certifications in recognition of its emphasis on qualitative consistency.



Scale

The Company's integrated manufacturing units possess an installed capacity of 9500 TPA dye intermediates. The Company invested in an aggregate solar power capacity of 34 MW.

Cientele

The Company's key clients include brand-enhancing dyes and pigment manufacturers like Everlight Chemical Industrial Corporation, Huntsman International, Lonsen Kiri, Indo Colchem Pvt. Ltd., Bhavin Industries, Colourtex, Jay Chemical Industries Limited, Archroma and PT Sinar among others. The product is eventually used in textiles, leather and paint industries. The Company also exports products to Korea, Japan, Taiwan, China, Germany, Indonesia, Thailand, USA and Europe.

Credit rating

The Company strengthened its credit-rating from BBB+ in 2017-18 to A- for long-term debt and from A2 to A2+ for short-term debt in 2018-19.

Listing

The Company's equity shares are listed on the BSE Limited and NSE of India. The Company enjoyed a market capitalisation of ₹599.13 crore as on March 31, 2019 on BSE and ₹596.40 crore as on March 31, 2019 on NSE.

Ethical pedigree

Mission: Bhageria, a customer-driven company, will continuously improve upon the services rendered to customers, meet customers' needs in the shortest lead time, develop new dyes & intermediate for new application areas and will continue to enjoy privileged status as a preferred supplier.

Bhageria, a shareholder-driven company, will remain focused in the areas of its core competence, emphasis on the quality of business rather than the size of the business, maintain profit-related growth policy, implement corporate governance, regard shareholder wealth creation as a key driver of all actions and policies of the Company and its people.

Bhageria, a brand-driven company, will maintain and improve upon the Bhageria brand name, and will create Bhageria brand awareness in the international markets through the export of quality products.

Bhageria, a people-driven company, will train, empower and create a superior pool of intellect, capable of leading its innovation drive.

Bhageria, an environment-friendly company, will continue to adhere to environment friendly manufacturing processes and set new standards in fighting pollution.

Vision: To be the preferred, trusted and successful long-term partner to our stakeholders, clients, associates and our employees. For this to happen we will stay

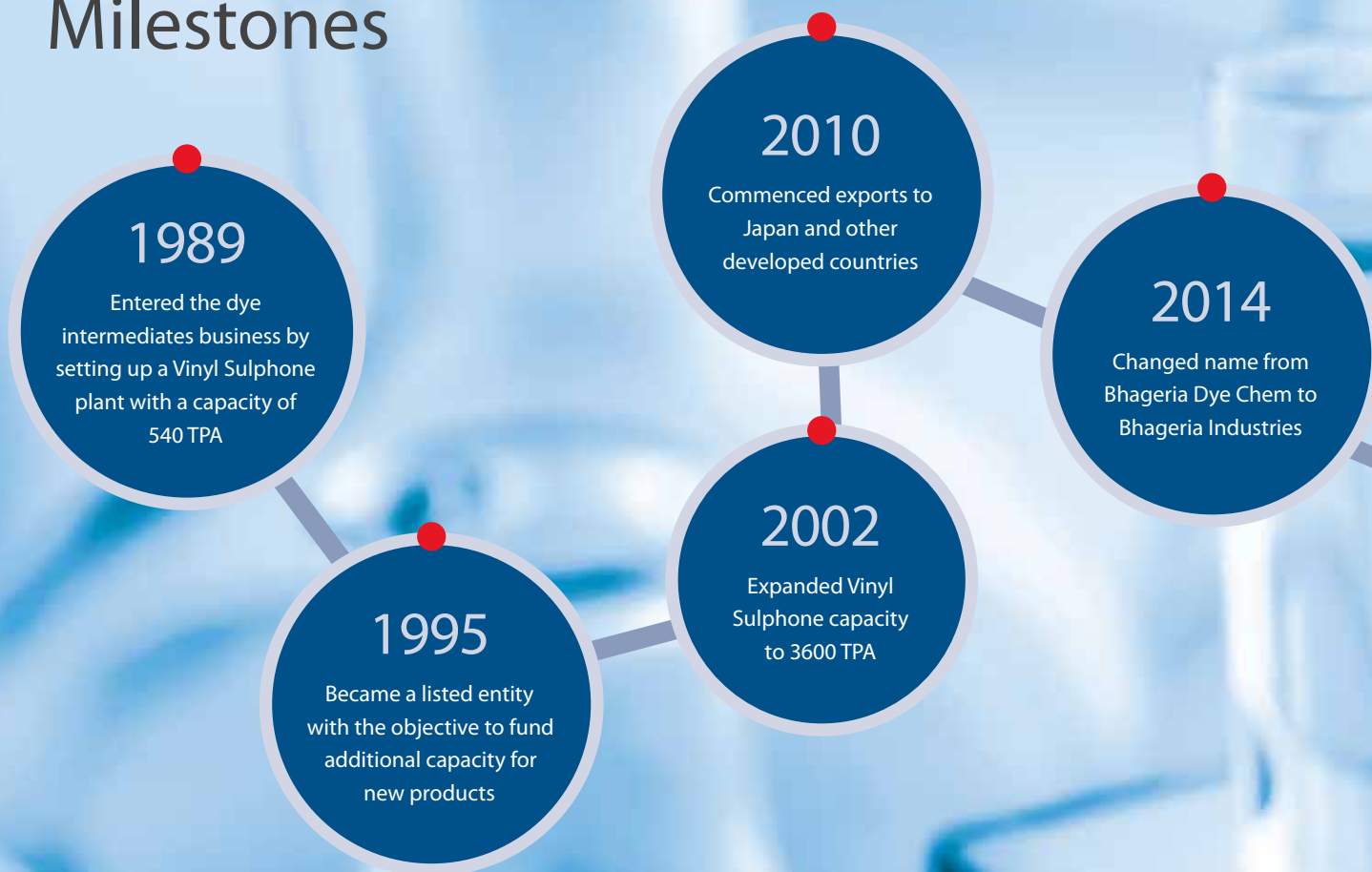
viable and relevant through practical innovation and a continuous focus on efficient and consistent execution.

Our commitment: Assurance of quality thought in-process and pre-shipment inspection.

Adherence to delivery commitments by maintaining close relations with the manufacturers, including provision of timely assistance with financial, sourcing and logistic inputs.

Accountability to our clients: This is reflected in the confidence our clients repose in us with repeat business and long-term relationships. We believe in delighting customers by being responsive to their needs and servicing them on time.

Milestones



Awards and certifications

Chemexcil presented the Company with the 'Outstanding Performance Award in Export Award 2006-07' in the Dye and Dye Intermediates Panel.

The Company won the 'Gold Award 2007-08' in the Dye and Dye Intermediates Panel from Chemexcil.

Nipur Chemicals Ltd, now merged with Bhageria, received the First Award 2007-08 in the Merchant Exporters Category.

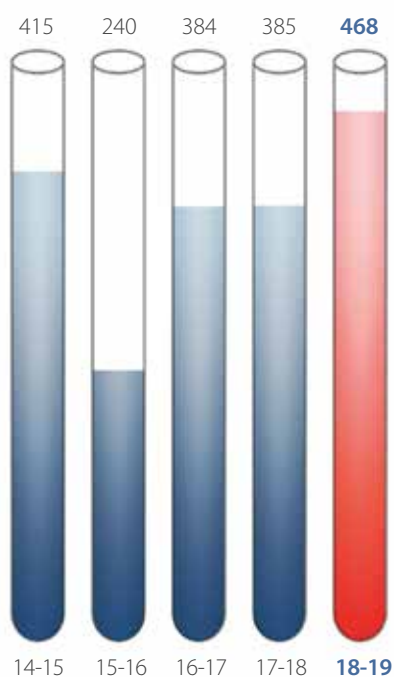
The Company was presented with the 'First Award for 2015-16 in the Dye and Dye Intermediates Panel' in the Small Scale Sector by Chemexcil.

In the Convention of Colorants 2015, the Company was recognised and appreciated for its valuable contribution.

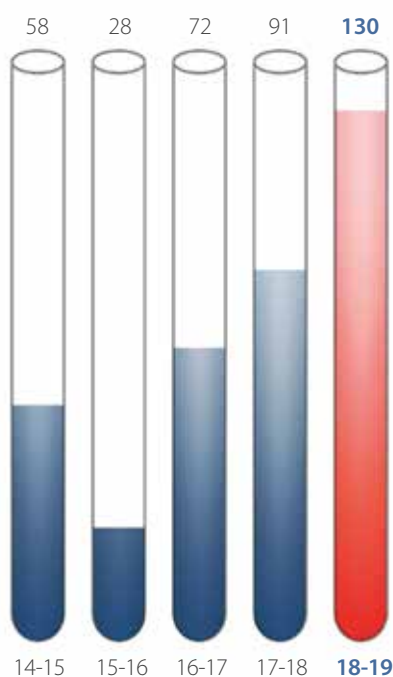


Our growth performance over the years

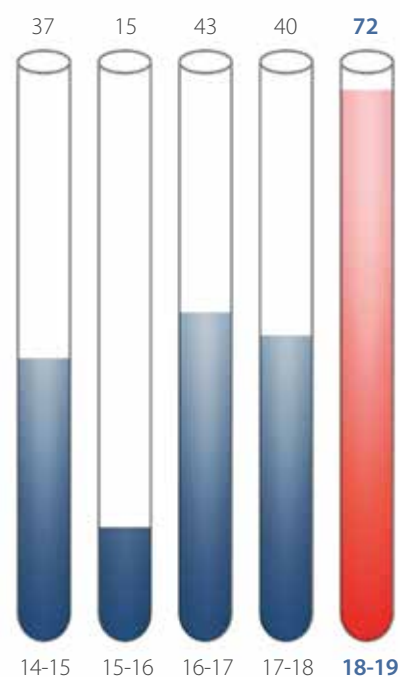
Revenues (₹ crore)



EBITDA (₹ crore)



Net profit (₹ crore)



Performance, 2018-19

Aggregate sales increased 21.5% to ₹467.70 crore during 2018-19 following increased offtake and realisations, especially in the first half of the year under review.

Value impact

Improved product offtake strengthened the Company's marketplace respect, visibility and ability to service customers.

Performance, 2018-19

The Company's EBITDA grew 42.6% due to higher realisations and revenue growth.

Value impact

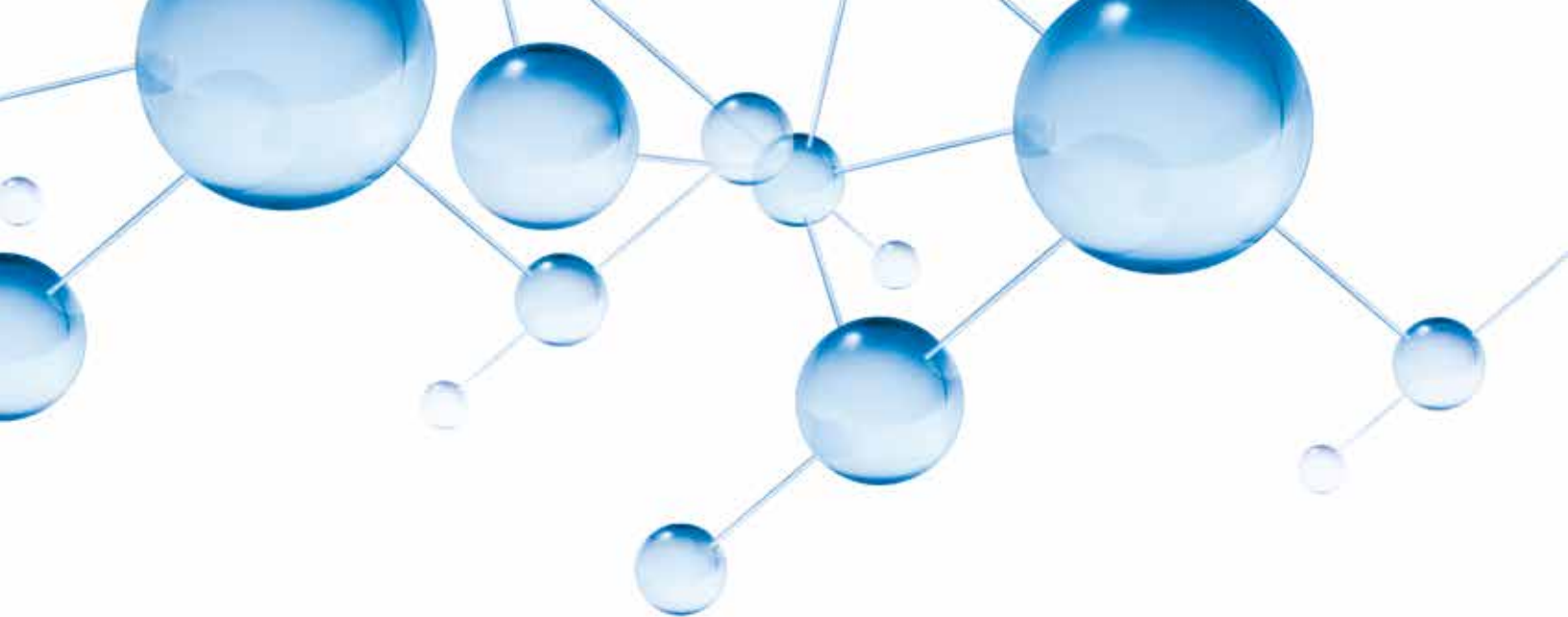
A high EBITDA highlights the Company's operational efficiency, superior product mix and effective cost management.

Performance, 2018-19

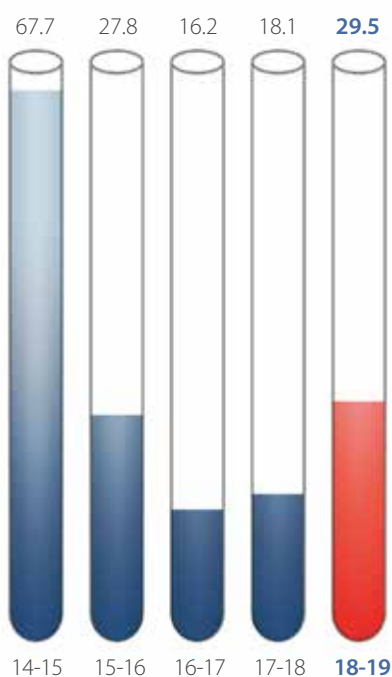
The Company's PAT improved 77.3% over the previous year due to increased revenues, margins and competitiveness.

Value impact

An improved PAT ensures that adequate resources are available for reinvestment and business sustainability



RoCE (%)



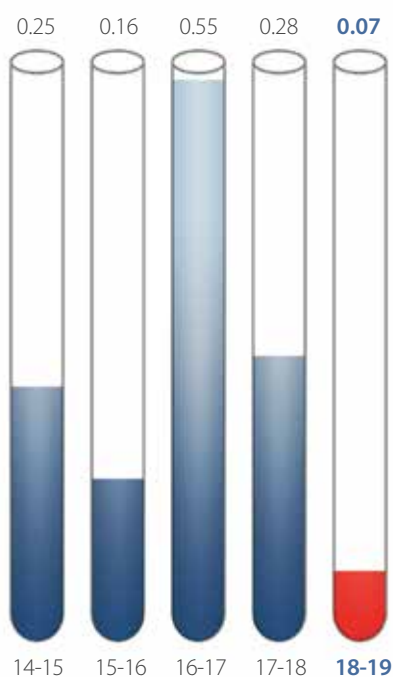
Performance, 2018-19

The Company's RoCE improved nearly 63.4% over the previous year, strengthening returns for our shareholders

Value impact

An enhanced RoCE indicates capital efficiency

Debt-equity ratio (x)



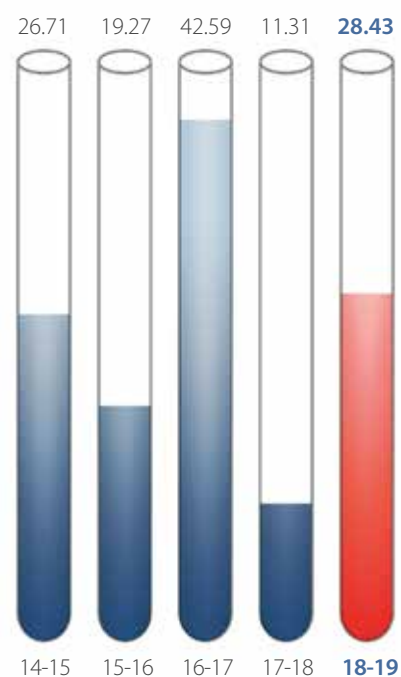
Performance, 2018-19

The Company's debt-equity ratio improved from 0.28x to 0.07x over five years largely due to profit growth and debt repayment

Value impact

A low debt-equity ratio indicates solvency and provides adequate borrowing room

Interest cover (x)



Performance, 2018-19

The interest cover strengthened nearly 1711 bps following debt repayment arising out of improved cash flows.

Value impact

A healthy interest cover indicated the Company's ability to address debt service and repayment obligations.

It took us 30 years to reach topline of about ₹500 crore; while now it should take the Company much lesser of the time to replicate this growth, enhancing shareholder value



Overview

The management of the Company is extremely happy with the performance of the Company in 2018-19.

On the positive side, your Company achieved record revenues of ₹468 crore and the highest profit after tax of ₹72 crore in its existence during 2018-19.

Industry overview

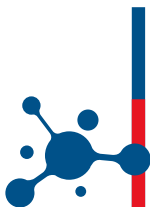
The performance of the Company during the year under review was largely influenced by the closure of polluting chemical manufacturers in China. The result was a substantial decline in the output of basic chemicals in that country, which in turn, affected China's exports.

This benefited Indian manufacturers of basic chemicals in two ways. It inspired global buyers to turn to India as an effective alternative source of supply. Besides, China's lower international exposure resulted in stronger global realisations, benefiting Indian manufacturers.

While the re-opening of China's closed capacities remains uncertain, the positive upside is that there is a growing role for India's basic manufacturers to play on the global stage. The increased cash flows arising out of the sectoral churn were largely invested by the country's basic chemicals sector in capacity accretion and deeper environment compliances, strengthening the country's long-term global competitiveness.

The Company's performance

During the year under review, Bhageria capitalised on the sharp upturn in realisations. This increase was most visible during the first half of the year when the Company reported ₹241.2 crore revenue compared to ₹182.8 crore in the



The impact of China's 'Clean Air Act' on the Indian organic chemicals industry

Following China experiencing severe pollution, its government came down on polluting non-compliant industries by enforcing a stronger enforcement of existing environment laws coupled with closures. Some 80,000 factories were closed as a result and the Beijing municipality alone filed nearly 13,000 cases against non-compliant polluters.

The sectors impacted by the anti-pollution emphasis comprised textiles, energy, heavy metals, coal and gas, mining, cement, paper, automobile and consumer goods.

Chinese manufacturers encountered an increased cost structure in addressing increasing environment compliance costs, creating an opportunity for countries like India to address the gap created by Chinese players vacating the global market. In turn, this strengthened realisations of the various products where China is no longer playing a prominent export role.

corresponding period in the previous year as well as ₹46.1 crore profit after tax as compared to ₹15.6 crore over the corresponding period. This growth was largely the result of a prudent selection of markets, products, competitive cost management, growing scale, higher asset utilisation and funding business growth through net worth.

Even as the second half of the financial year was weak on account of a decline in realisations, the Company finished 2018-19 with optimism.

During the year under review, the Company's exports increased 57%, protecting the Company from an excessive dependence on the Indian market. The Company broadbased exports across a number of countries, strengthening overall sustainability. It repaid ₹60 crore of short-term debt and long-term debt, strengthening long-term competitiveness.

Investing in the future

Our optimism is derived from the fact that the Chinese chemicals sector is expected to de-grow from around 10-12% of its GDP to a point where it could under-perform that country's GDP growth in three years. This reality could keep international realisations attractive while opening up a larger global window for competitive Indian manufacturers.

Your Company intends to strengthen its business with investments in on-going plant maintenance, capacity debottlenecking and expansion, coupled with debt reduction.

Your Company intends to enhance its competitiveness through a combination of product accretion and backward integration. The Company intends to invest ₹100 crore across the three years ending 2021-22, translating into full impact starting 2022-23. Around 60% of the Company's proposed investment is intended to be made in commissioning new product capacities, while the rest is to be invested in the manufacture of sulphuric acid (backward integration), a key material being purchased by the Company until 2018-19. The captive manufacture and consumption of sulphuric acid (to the extent of 60% of production) is expected to widen the Company's operating margin by 400 bps. This strategy is expected to strengthen revenues on the one hand and reduce costs on the other.

Your Company will broad-base its intermediates portfolio around the existing product chemistry of benzene and naphthalene. This will deepen the Company's competitiveness, broad-base the portfolio around an existing synergy, strengthen the Company's one-stop positioning and enhance customer wallet share. This approach is expected to broad-base the Company's revenues, customers and products, strengthening business de-risking and sustainability.

In view of these initiatives, the Company expects to generate incremental revenues of ₹300 crore from this investment at full capacity utilisation coupled with enhanced margins.

Optimism

Your Company is optimistic of its prospects for a number of reasons.

We enjoy multi-year customer engagements. The new products that we manufacture will find ready offtake among our existing customers. Your Company has no long-term debt on its books, with adequate comfort in existing working capital sanctions to address growing business needs. Besides, the moderate receivables cycle ensures healthy cash flows to sustain the business.

In view of the phased implementation of the expansion, we are optimistic of generating attractive growth every single year from 2019-20 onwards.

These initiatives should graduate our Company towards ₹1000 crore in revenues in the next five years, while half our revenues shall be derived from exports. It took us 30 years to reach a top line of nearly ₹500 crore; it should take only five years for the Company to replicate this, enhancing value for all our stakeholders.

I am thankful to the Board of Directors for its continued support and guidance in taking the Company ahead. We also need to credit our success to our employees, financial institutions, vendors, customers and shareholders.

Suresh Bhageria, *Chairman*

Our business model



Business presence

At Bhageria, we have selected to focus on the widening opportunities arising from the niche and value-added benzene and naphthalene product families, highly technical spaces that are relatively under-penetrated. The Company's consistent focus translated into enhanced specialisation and respect. The Company's multi-decade presence in this space has enhanced its visibility.



Quality revenues

At Bhageria, we have selected to focus on building a quality business, marked by revenue visibility from large and growing customers, relatively short receivable cycles and no payment defaults.



Culture of austerity

At Bhageria, we run a business marked by low overheads, largely the result of prudent recruitment, multi-tasking, aggressive delegation and growing leaders from within. The Company's employees cost was only 2.88% of revenues in 2018-19, well below the sectoral average.



Overall focus

At Bhageria, we are focused on remaining profitable across the complete tenure of market cycles resulting in business sustainability. This focus has influenced our product selection, capacity investments and Balance Sheet structure. The result is that our long-term credit rating was upgraded from BBB+ to A- by CARE.



Power of integration

At Bhageria, we selected to scale our business in a linear way across the last couple of decades with the objective to build sizable manufacturing capacity across our selected products, generating superior economies of scale. Now that we possess adequate capacity, we are integrating backwards into sulphuric acid. This initiative will widen our value-chain, increase margins by an estimated 400 bps, enhance steam utilisation and moderate carbon footprint.



Fiscal conservatism

At Bhageria, our fiscal conservatism is reflected in a prudent investment in solar renewable energy capacity. Over the last few years, the Company allocated ₹180 crore from its accruals towards 30 MW of renewable energy, providing the Company with a lower cost of power on the one hand and tax-free revenues on commercial power sales for 25 years. As an extension of this conservatism, the Company's solar energy investment generated ₹33 crore in revenues in 2018-19.



Debt reduction

At Bhageria, we have been conservative in debt mobilisation. All projects undertaken through debt in the past enjoyed short payback, making it possible to draw debt down with speed. The Company will grow its business only through accruals, de-risking it from revenue or profit volatility.



Enduring relationships

At Bhageria, we focused on the manufacture of quality products, addressing specific customer needs. This inevitably translated into a repeat engagement for existing customers, a number of whom continue to work with the Company without a break across the last couple of decades. The Company generated 80% of its revenues from customers of five years or more in 2018-19.



Technology edge

At Bhageria, our proactive investment in cutting-edge technologies has resulted in a competitive cost of manufacture and high product purity, the basis of its long-term profitability. The result is that the Company is now a preferred supplier for a number of quality-respecting multi-national customers.



Environment responsibility

At Bhageria, we invested an aggregate ₹10 crore in the last six years in environment-protecting assets and infrastructure, enhancing respect, customer confidence and performance integrity. The Company invested in assets (crystalliser, spray drier, multi-effect evaporator, salt recovery plant or rotary kiln) well before they became mandatory. The manufacturing facility became zero liquid discharge-compliant in 2018-19. The commissioning of the sulphur acid plant in 2019-20 will generate steam that will be captured through a waste heat recovery system, moderating the use of fossil fuels in power generation.



Knowledge capital

At Bhageria, we provide a fair, engaging and exciting workplace that has helped retain our knowledge-driven professionals. The Company had retention rate of 98% in 2018-19.



Ethical practices

At Bhageria, we profess a high ethical standard, resulting in a strong stakeholder engagement on the one hand and the absence of litigation / settlements with customers. The Company has enhanced trust through consistent supply dependability even in volatile markets.



Product development

At Bhageria, we focused on the competitive manufacture of given products around customised applications for diverse customers. However, going ahead, the Company intends to manufacture select non-commoditised products for the first time in India, strengthening its visibility and profitability.

Our two-year investment phase

October 2019

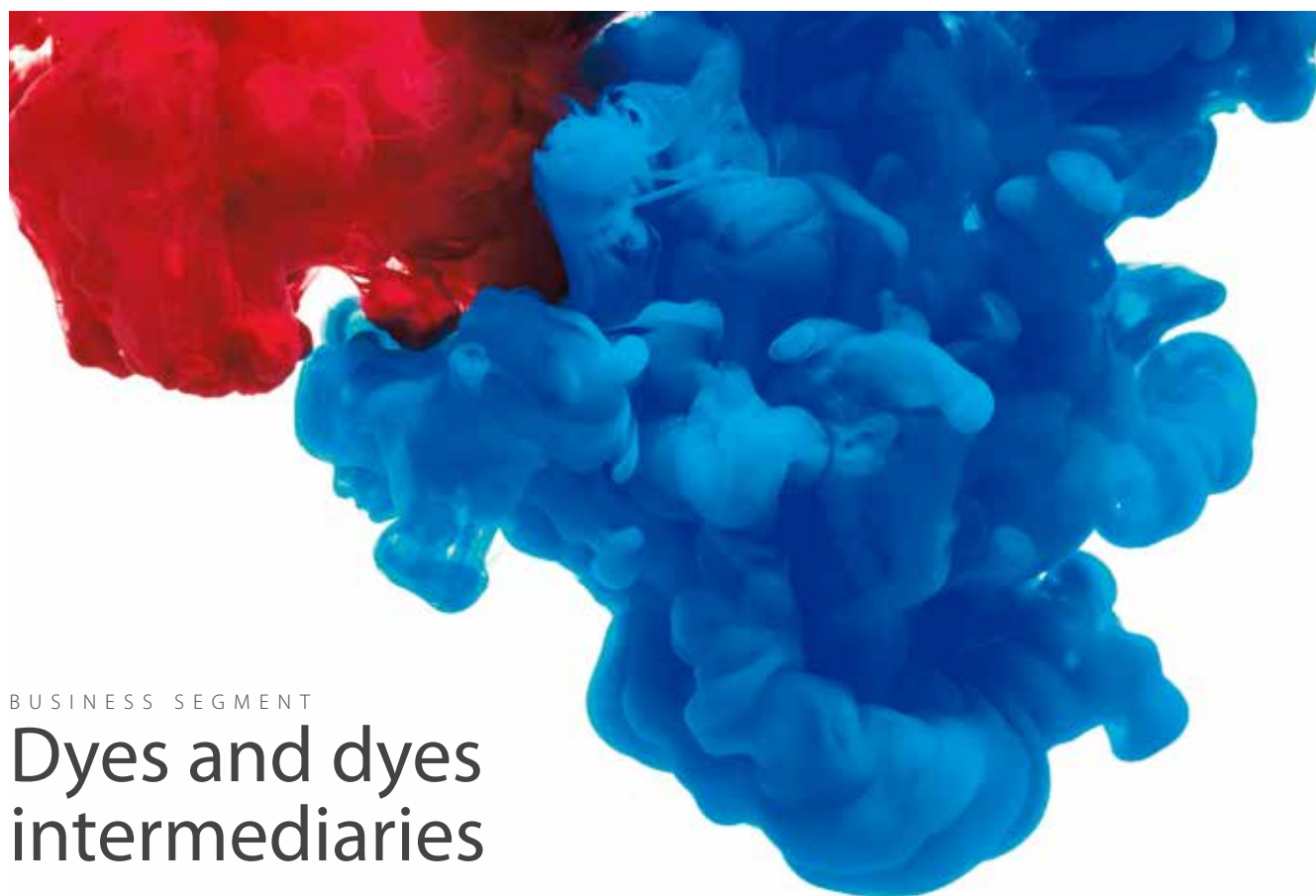
₹35 crore investment in a 300 TPD sulphuric acid and derivatives plant to be manufactured at the Tarapur plant.

March 2020

₹30 crore investment in the manufacture of 4,000 MTPA capacity of J-Acid & Tobias to be manufactured at the Tarapur plant.

December 2020

₹35 crore investment in pigment intermediates to be manufactured at the Vapi plant.



BUSINESS SEGMENT

Dyes and dyes intermediaries

429

Revenues,
(₹ in crore) 2018-19

23%

Revenue growth,
2018-19

93%

Proportion of
overall revenues

Overview

The Company has been engaged in the business of manufacturing and marketing chemicals, dyes and dyes intermediates for 30 years.

The Company generated 68.3% of its revenues from this business from within India. The Indian business of the Company grew 12.8% during the year under review.

The Company generated 31.7% of revenues from this business from exports. The international

business of the Company grew 57.3% during the year under review.

Over the years, the Company has generated respect for competitive and customised manufacture, consistently high product quality and stringent quality appraisal standards.

To enhance competitiveness, the Company intends to integrate backwards towards the manufacture of sulphuric acid starting 2019-20 (which the Company earlier purchased).

As a long-term strategic direction, the Company intends to broad-base its intermediates portfolio within the existing family of benzene and naphthalene. This strategic focus is expected to deepen capabilities, address the widening needs of existing customers, enhance the Company's brand as a specialist and create a virtually unlimited multi-year portfolio growth opportunity.

Revenues from dyes and dyes intermediaries segment (₹ crore)

| Year | 2016-17 | 2017-18 | 2018-19 |
|----------|---------|---------|---------|
| Revenues | 371 | 349 | 429 |

BUSINESS SEGMENT

Solar energy



33

Revenues,
(₹ in crore) 2018-19

35%

Revenue growth,
2018-19

7%

Proportion of
overall revenues

Overview

Over the years, the Company invested in solar energy with the express objective of capping energy costs in an energy-intensive business, reducing the risks derived from power outage, generating tax benefits, selling the surplus power for a profit and generating long-term revenue visibility.

The Company commissioned a 30MW solar power project for

₹180 crore at Kombhalne Village, Akole, Ahmednagar, the surplus from this facility being marketed at ₹4.41/unit for 25 years, an attractive tax-free revenue inflow. The project is estimated to generate an attractive payback across six years.

The Company's turnover from solar power operations increased from ₹2.6 crore in 2016-17 to ₹24.5 crore in 2017-18. The periodic revenue inflow

strengthened cash flows; the cash inflow accounted for 28% of the Company's pre-tax profit for the year.

Solar power plants

The Company commissioned the following:

- Solar power plant of 30 MW at Ahmednagar, Maharashtra
- Rooftop solar power plant of 4.88 MWP

Revenues from solar segment (₹ crore)

| Year | 2016-17 | 2017-18 | 2018-19 |
|----------|---------|---------|---------|
| Revenues | 2.6 | 24.5 | 33.0 |

Corporate social responsibility

Overview

Bhageria Industries believes that in addition to being a good corporate citizen, a well-thought-out CSR programme is essential for inclusive growth. The Company's CSR efforts extend beyond compliance requirements. The Company is engaged in activities that ensure social and environmental benefits in the communities residing near its manufacturing facilities. In doing so, the Company guarantees that the resources available at its disposal are put to use in the most efficient way. At Bhageria, environmental responsibility plays a key role in every decision. The Company invested ₹1.04 crore in CSR activities in 2018-19.

Our CSR initiatives

- Construction of a water tank and water supply system at Kombhalane, Taluka - Akole, Ahmednagar.
- Construction of toilet blocks at Prathmik Shala Nagvas, Ratham Pada, Valsad, Gujarat
- Distribution of food items in Salvad village, Boisar, Maharashtra
- Promoting education at various locations
- Contribution towards R&D in eradicating malnutrition at Bhayander, Thane, Maharashtra.



Notice

NOTICE is hereby given that the Thirtieth Annual General Meeting (AGM) of the Members of BHAGERIA INDUSTRIES LIMITED (CIN: L40300MH1989PLC052574) will be held on Saturday, August 31, 2019 at 11.30 a.m. at Maher Banquet, Topiwala Centre Mall, 2nd Floor, Off S.V. Road, Near Rly. Stn., Goregaon (West), Mumbai 400062, Maharashtra, India to transact, with or without modification(s) the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2019, including the Audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss & Cash Flow Statement for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the year ended March 31, 2019.
3. To appoint a Director in place of Mrs. Chandrabhabha Bhageria (DIN: 01444875) who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. Re-appointment of Mrs. Chandrabhabha Bhageria as a Whole-Time Director of the Company:

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

"RESOLVED THAT in supersession of all earlier resolutions and subject to the provisions of Section 196, 197, 203 read with regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded for re-appointment of and payment of remuneration to Mrs. Chandrabhabha Bhageria (DIN:01444875) as a Whole-time Director of the Company for a period of 3 (Three) years with effect from November 1, 2019 as set out in this Resolution, including, inter-alia, payment and provision of the remuneration, commission, perquisites and benefits as mentioned in the explanatory statement.

RESOLVED FURTHER THAT in the event of absence of or inadequacy of profit in any Financial Year during the tenure of the Whole-time Director the remuneration shall be governed as provided under Section II of Part II of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT Mrs. Chandrabhabha Bhageria is re-appointed as Whole-time Director on the Board and is liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do and perform or cause to be done and performed, all such acts and deeds necessary to give effect to the foregoing resolution, including inter alia, approving on behalf of the Company, any changes or modifications in the aforesaid terms from time to time."

5. Approval of appointment of Mr. Mukund Manohar Chitale, Independent Director for a term of 5 consecutive years:

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

"RESOLVED THAT Mr. Mukund Manohar Chitale (DIN: 00101004), who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 25, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 16 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, the appointment of Mr. Mukund Manohar Chitale (DIN: 00101004), who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect, who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from March 25, 2019 to March 24, 2024, be and is hereby approved.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including fillings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto."

6. Approval of re-appointment of Mr. Shashikant Parmanand Tulsian, Independent Director for a second term of 5 consecutive years, existing term expires on March 31, 2020:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 16 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, the re-appointment of Mr. Shashikant Parmanand Tulsian (DIN: 00018156), Independent Director of the Company, who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect, who is eligible for re-appointment as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from April 01, 2020 to March 31, 2025, be and is hereby approved.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including fillings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto."

7. Approval for payment of Remuneration to Executive Directors who are promoters or members of promoter group of the Company pursuant to Regulation 17(6)(e) (ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"):

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

"RESOLVED THAT approval of the Company be and is

hereby accorded pursuant to Regulation 17(6)(e)(ii) of the Listing Regulations, 2015 for payment of aggregate annual remuneration to Executive Directors of the Company who are promoters/members of the promoter group exceeding 5 percent of the Net Profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do and perform or cause to be done and performed, all such acts and deeds necessary to give effect to the foregoing resolution, including inter alia, approving on behalf of the Company, any changes or modifications in the aforesaid terms from time to time."

8. Payment of Remuneration to M/s Poddar & Co., Cost Accountants (Firm Registration No. 101734), the Cost Auditors of the Company for the Financial Year 2019-20:

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Poddar & Co., Cost Accountants (Firm Registration No. 101734) appointed by the Board of Directors to conduct the audit of the cost records of the Company, be paid a remuneration for the Financial Year ending March 31, 2020 of ₹90,000 /- plus GST as applicable and out of pocket expenses as may be incurred by them in connection with the aforesaid audit."

Registered Office:
1002, 10th Floor,
Topiwala Centre,
Off S. V. Road,
Goregaon [West],
Mumbai - 400 062.
Date: May 29, 2019.

For and on behalf of the Board
BHAGERIA INDUSTRIES LIMITED

SURESH BHAGERIA
(DIN: 00540285)
CHAIRPERSON

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing a Proxy should however be deposited at the registered office of the Company duly completed not less than FORTY-EIGHT hours before the commencement of the meeting.

Pursuant to the provisions of Section 105 of the Companies

Act, 2013 and the Rules framed there under, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such proxy shall not act as a proxy for any other person or Member.

2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other

information relating to e-voting are given in this Notice under Note No. 22. The communication relating to remote e-voting containing the details of User ID and password is being sent along with this Notice to the Members.

3. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
4. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. In case of Joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
6. A statement giving the details of the Directors seeking appointment/re-appointment, nature of their expertise in specific functional areas, names of the companies in which they hold directorships, memberships / Chairpersonships for Board / Committees, shareholding and relationship between Directors inter-se as stipulated in Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements), 2015, are provided in the Annexure.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from August 27, 2019 to August 31, 2019 (both days inclusive).
8. The dividend on Equity Shares, if declared at the Annual General Meeting of the Company will be payable on or after September 05, 2019 to those members:
 - a) Whose names appear as members in the Register of Members of the Company after giving effect to valid share transmissions or transposition in physical form lodged with the Company / Registrar and Transfer Agent on or before August 26, 2019; and
 - b) Whose names appear as Beneficial Owners in the list of Beneficial Owners at the closure of business hours on August 26, 2019 furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
9. Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of IEPF Authority.

The details of dividend paid by the Company and the corresponding due dates for transfer of unencashed dividend to IEPF are furnished hereunder:

| Sr. No | Year ended | Date of Declaration | Due date of Transfer to IEPF |
|--------|------------|---------------------|------------------------------|
| 1. | 31.03.2012 | 01.09.2012 | 30.09.2019 |
| 2. | 31.03.2013 | 31.08.2013 | 30.09.2020 |
| 3. | 31.03.2014 | 26.07.2014 | 25.08.2021 |
| 4. | 31.03.2015 | 01.08.2015 | 31.08.2022 |
| 5. | 31.03.2016 | 13.08.2016 | 12.09.2023 |
| 6. | 31.03.2017 | 02.12.2017 | 08.01.2025 |
| 7. | 31.03.2018 | 21.07.2018 | 27.08.2025 |

Members who have not encashed the dividend warrant(s) so far in respect of the above financial years, are therefore, requested to make their claims to the Registrar & Transfer Agent of the Company or the Company at its Registered Office, with full details.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar /Company.
11. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
12. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting.
13. The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited.
14. Members holding shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below AND in case their shares are held in demat, this information should be passed on directly to their respective Depository Participants and not to the Company.
 M/s SHAREX DYNAMIC (INDIA) PVT.LTD
 UNIT: (BHAGERIA INDUSTRIES LIMITED)
 C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai-400083
 Tel: 022 28515606/28515644
 Email: support@sharexindia.com
15. (a) Members are informed that in order to avoid fraudulent encashment of dividend warrants they should send to the Registrar and Transfer Agent of the Company at the address given above under the signature of the Sole/ First Joint holder the information relating to Name and Address

of the Banker along with the Pin Code Number and Bank Account Number to print on the Dividend Warrants.

- (b) Members desirous of availing the facility of Electronic Credit of Dividend are requested to send ECS Form to the Registrar and Transfer Agent of the Company at the address given above.
 - (c) Members holding shares in dematerialised form and desirous to change or correct the bank account details should send the same immediately to the concerned Depository Participant. Members are also requested to give MICR Code to the Depository Participant.
16. Relevant documents referred to in the Notice and in the Explanatory Statements are open for inspection at the registered office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
17. Members/Proxies holding their Shares in Physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
18. Members who are holding shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
19. In all correspondence with the Company, members are requested to quote their Folio Number and in case their shares are held in demat form, they must quote their DP ID and Client ID Number.
20. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
21. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialise the Equity Shares of the Company, promptly.
22. Voting through electronic means:
- i. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes

by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Securities Limited (CDSL). The detailed procedure to be followed in this regard has been given below. The members are requested to go through them carefully.

- ii. The Board of Directors of the Company has appointed Mr. Mahesh Soni, failing him, Ms. Sonia Chettiar, Partner of GMJ & Associates, Company Secretaries, as Scrutiniser to scrutinize the e-voting and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.
- iii. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- iv. The Company has engaged the services of Central Depository Services Limited (CDSL) as the Agency to provide e-voting facility.
- v. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member /beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. August 24, 2019.
- vi. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e August 24, 2019 only shall be entitled to avail the facility of e-voting / remote e-voting.
- vii. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e August 24, 2019, may obtain the User ID and password from SHAREX DYNAMIC (INDIA) PVT. LTD (Registrar & Transfer Agent of the Company).
- viii. The Scrutiniser, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than 48 Hours of conclusion of the Meeting, make a consolidated scrutiniser's report and submit the same to the CHAIRPERSON. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company (www.bhageriagroup.com) and on the website of CDSL <https://www.evotingindia.com>. The results shall simultaneously be communicated to the Stock Exchanges.
- ix. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. August 31, 2019.

X. The instructions for shareholders voting electronically are as under:

- a. The voting period begins on August 28, 2019 at 9.00 a.m. and ends on August 30, 2019 at 5.00 p.m. During this period shareholder's of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of August 24, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- b. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue
- c. The shareholders should log on to the e-voting website www.evotingindia.com
- d. Click on Shareholders/Members.
- e. Now Enter your user ID
 - For CDSL: 16 digits beneficiary ID
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID
- f. Next enter the Image Verification as displayed and Click on Login.
- g. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- h. If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|--|--|
| PAN | <p>Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date Of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (e). |

- i. After entering these details appropriately, click on "SUBMIT" tab
- j. 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 holders for voting for 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.
- k. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- l. Click on the EVSN for the relevant BHAGERIA INDUSTRIES LIMITED on which you choose to vote.
- m. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "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.
- n. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- o. 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.
- p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- r. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- s. 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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- t. Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- 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 wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the

accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- u. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, SECRETARIAL STANDARD-2 ON GENERAL MEETINGS AND REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

ITEM NO 4:

Mrs. Chandraprabha Bhageria is the Whole-time Director of the Company and her existing term will expire on October 31, 2019.

Keeping in mind the contribution made by Mrs. Chandraprabha Bhageria towards the growth and performance of the Company, your Board of Directors at their meeting held on May 29, 2019, have re-appointed Mrs. Chandraprabha Bhageria as the Whole-time Director of the Company. The terms of her re-appointment including remuneration, commission, perquisites etc. as have been approved by the Nomination & Remuneration Committee and the Board, subject to the approval of the Members at the ensuing Annual General Meeting. The details are as follows: -

- a) Salary: ₹ 2,00,000 /- per month in the scale of ₹ 1,00,000/- to ₹ 10,00,000/- per month.
- b) Commission: Upto 5% of Net Profit of the Company.
- c) Perquisites:
 - i) Perquisites include House Rent Allowance, Car, Electricity, Medical Expenses reimbursement for self and family, Leave Travel Concession for self and family, club fees, medical insurance etc., limited to actual or the Annual Salary whichever is less.
 - ii) Provision of car for use of Company's business and telephone at residence will not be considered perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company.
 - iii) Company's Contribution to the Provident Fund, Gratuity and encashment of leave as per the rules of the Company and the same shall not be considered perquisites as aforesaid.

Provided that the above remuneration payable to her by way of salary, commission, perquisites, contributions towards Provident Fund, and Gratuity Fund on her account shall not exceed 5% of the net profits of the Company calculated in accordance with Section

197 & 198 of the Companies, 2013 subject to the ceiling of overall maximum managerial remuneration of 10% of the net profits of the Company calculated in accordance with Section 197 & 198 of the Companies, 2013.

Provided that the above remuneration payable to her shall also be considered, approved under regulation 17(6)(e) of Listing Regulations.

In the event of loss or inadequacy of profits in any year during the tenure of office, the remuneration payable to her for that year shall be determined by the Board within the ceiling limits as laid down in paragraphs (A) of Section II of Part II of Schedule V to the Companies Act, 2013.

Other particulars pertaining to the Company, which are required to be disclosed as per Section II of Part II of Schedule V to the Companies Act, 2013 are given in Annexure A to this explanatory statement.

Accordingly, the Board recommends the passing of Special Resolution as set out in the Item No. 4 of the Notice for approval of the members.

Further Mrs. Chandraprabha Bhageria has been appointed as a Whole-time Director on Board and is liable to retire by rotation. The above mentioned explanatory statement read together with the resolution specified under SPECIAL BUSINESS as Item No. 4 of the Notice convening the Annual General Meeting may be considered as an abstract, of the terms of revised remuneration and perquisites payable to the aforesaid Whole Time Director with effect from November 1, 2019.

MEMORANDUM OF INTEREST

Mr. Suresh Bhageria and Mr. Vikas Bhageria, being related to Mrs. Chandraprabha Bhageria, are deemed to be concerned and interested in the resolution at Item No. 4. Except the above-mentioned Directors, none of the Directors or Key Managerial Personnel of the Company are concerned or interested in the aforesaid Special Resolution.

ITEM NO 5.

Mr. Mukund Manohar Chitale was appointed as an Additional Director (Independent Capacity) of the Company with effect from March 25, 2019. Your Board proposes to regularize his appointment and appoint him as an Independent Director of the Company under Section 149 and Regulation 16(1)(b) of the Listing Regulations, for one term of Five Years, commencing from March 25, 2019.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Mukund Manohar Chitale, being eligible for appointment as Independent Director offers himself for appointment, is proposed to be appointed as Independent Director for one term of five consecutive years from March 25, 2019 upto March 24, 2024.

In the opinion of the Board, Mr. Mukund Manohar Chitale fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1) (b) of the Listing Regulations for his appointment as Independent Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. Mukund Manohar Chitale as Independent Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Mukund Manohar Chitale as Independent Director of the Company.

Accordingly, the Board recommends the passing of Resolution as set out in the Item No. 5 of the Notice with respect to eligibility and appointment of Mr. Mukund Manohar Chitale as Independent Director of the Company for one term of five consecutive years with effect from March 25, 2019 to March 24, 2024, for approval of the members.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Director for his respective appointment, is concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

ITEM NO 6.

Mr. Shashikant Parmanand Tulsian is an Independent Director of the Company. He was appointed by the Members of the Company at the 26th AGM held on August 01, 2015 to hold office for five consecutive years for a term upto March 31, 2020.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 152 read

with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Shashikant Parmanand Tulsian, being eligible, offers himself for re-appointment as Independent Director, is proposed to be re-appointed as an Independent Director for a second term of five consecutive years from April 1, 2020 upto March 31, 2025.

The performance of Mr. Shashikant Parmanand Tulsian, Independent Director was evaluated by the Board on the basis of the following criteria:

- Details of professional qualifications and prior experience of the independent Director, especially the experience relevant to the Company.
- Knowledge Competency and Initiative in various areas;
- Ability to understand and fulfilment of functions.
- Commitment and Contribution of the Independent Director.
- Availability/attendance at Board Meetings.
- Independence, Integrity and Judgement of the Independent Director.

In the opinion of the Board, Mr. Shashikant Parmanand Tulsian fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his re-appointment as Independent Director of the Company and is independent of the management.

Copy of the draft letter for re-appointment of Mr. Shashikant Parmanand Tulsian as Independent Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Shashikant Parmanand Tulsian as an Independent Director of the Company.

Accordingly, the Board recommends the passing of Special Resolution as set out in the Item No. 6 of the Notice with respect to with respect to eligibility and re-appointment of Mr. Shashikant Parmanand Tulsian as Independent Director of the Company for another term of five consecutive years with effect from April 1, 2020 to March 31, 2025, for approval of the members.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Director for his respective re-appointment, is concerned or interested, financially or otherwise, in the aforesaid Special Resolution.

ITEM NO 7:

The Company has obtained approval from Members for payment of remuneration to Executive Directors of the Company; i.e. Mr. Suresh Bhageria, Mr. Vinod Bhageria, Mr. Vikas Bhageria and Mrs. Chandraprabha Bhageria in accordance with the provisions of Section 197 & 198 of the Companies Act, 2013, The proviso (i) to

Section 197(1) of the Act states that the remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent. of the net profits of the company and if there is more than one such director remuneration shall not exceed ten per cent of the net profits to all such directors and manager taken together.

The recent Amendments carried out to Regulation 17(6)(e)(ii) of the Listing Regulations, 2015, specifies that approval of members by Special Resolution is required for payment of aggregate annual remuneration to Executive Directors of the Company who are promoters/members of the promoter group exceeding 5 percent of the Net Profits of the Company, accordingly, the Board recommends the passing of Special Resolution as set out in the Item No. 7 of the Notice for approval of the members.

Mr. Suresh Bhageria, Mr. Vinod Bhageria, Mr. Vikas Bhageria and Mrs. Chandrababha Bhageria and their relatives are deemed to be concerned or interested in the resolution, except the above-mentioned Directors, none of the Directors or Key Managerial Personnel of the Company are concerned or interested in the aforesaid Special Resolution.

ITEM NO 8:

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditor, M/s. Poddar & Co, Cost Accountants to conduct the audit of the cost records of the Company at ₹ 90,000 /- plus GST, as applicable, to be paid as remuneration for the financial year ending March 31, 2020.

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 Auditors needs to be ratified by the Members of the Company. Accordingly, consent of the Members is sought by way of an Ordinary Resolution as set out at Item No. 8 of the Notice, for ratification of the remuneration amounting to ₹ 90,000 /-plus GST, as applicable and out of pocket expenses, if any, payable to the Cost Auditors for Cost Audit for the financial year ending March 31, 2020, in respect of products of the Company covered under The Companies (Cost Records and Audit) Amendment Rules, 2014.

Accordingly, the Board recommends the passing of Resolution as set out in the Item No. 8 of the Notice for approval of the members.

None of the Directors or Key Managerial Personnel and relatives thereof, are in any way concerned or interested, financially or otherwise, in the Resolution at Item No. 8 of this Notice.

ANNEXURE "A" TO THE EXPLANATORY STATEMENT:

Statement as required under Section II of Part II of Schedule V to the Companies Act, 2013 giving details in respect of re-appointment of Mrs. Chandrababha Bhageria:

I. GENERAL INFORMATION:

1. Nature of Industry: Manufacturing and Sale of Dyes and Dyes Intermediates and Generation and Distribution of Solar Power.
2. Date or expected date of commencement of commercial production: The Company commenced manufacturing in 1991.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
4. Financial Performance based on given indicators:

(₹ in crores)

| Sr. No | Particulars | 2018-19 | 2017-18 |
|--------|------------------|---------|---------|
| 1 | Revenue | 467.70 | 384.85 |
| 2 | Profit after tax | 71.51 | 40.34 |

II. Information about the appointee

| Details | Mrs. Chandrababha Bhageria |
|--|--|
| Background details | Mrs. Chandrababha Bhageria is 63 years of age and has an experience of over 27 years in field of General Management, Communication. |
| Past remuneration | ₹ 12.00 lakhs |
| Recognition or awards | Nil |
| Job profile and suitability | Mrs. Chandrababha Bhageria is the Whole-time Director of the Company and is responsible for overview of the implementation of policies, procedures and corporate governance practices. |
| Remuneration proposed | As per Notice & Explanatory Statement. |
| Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | Considering the size of the Company, the industry benchmarks, experience of the appointee and the responsibilities to be shouldered by her, the proposed remuneration is commensurate with the remuneration paid to similar appointees in other companies. |

| Details | Mrs. Chandraprabha Bhageria |
|---|---|
| Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: | Besides the proposed remuneration, Mrs. Chandraprabha Bhageria does not have any pecuniary relationship with the Company. Mrs. Chandraprabha Bhageria is a close relative (spouse) of Mr. Suresh Bhageria and mother of Mr. Vikas Bhageria. |

5. Foreign Investments or collaborations, if any: Not Applicable

III. OTHER INFORMATION:

- Reason of loss or inadequate profits: N.A.
- Steps taken or proposed to be taken for improvement: N.A.
- Expected increase in productivity and profits in measurement terms: N.A.

IV. DISCLOSURES:

The Information, as required, is provided under 'Report on Corporate Governance'.

DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT PURSUANT TO REGULATION 36(3) OF THE SEBI (LODR) REGULATIONS, 2015

| | |
|---|--|
| I. | |
| Name | Mrs. Chandraprabha Bhageria |
| Directors Identification Number (DIN) | 01444875 |
| Brief Resume & Nature of expertise in specific functional areas | Mrs. Chandraprabha Bhageria is the Whole-time Director of the Company and is responsible for overview of the implementation of policies, procedures, General Management and Communication. |
| Disclosure of relationship between directors inter-se | Mrs. Chandraprabha Bhageria, is a close relative (wife) of Mr. Suresh Bhageria (mother) of Mr. Vikas Bhageria |
| Name of Listed entities in which the person also holds the directorship and the membership of Committees of the Board; and Shareholding in Bhageria Industries Limited | None |
| | 450353 Equity Shares |

| | |
|---|--|
| II. | |
| Name | Mr. Mukund Manohar Chitale |
| Directors Identification Number (DIN) | 00101004 |
| Brief Resume & Nature of expertise in specific functional areas | Mr. Mukund Manohar Chitale is a Partner at M/s Mukund M. Chitale & Co., Mr. Chitale has wide and varied experience in Finance, Accounting, Banking, Insurance and General Management. He served as the President of the Institute of Chartered Accountant of India 1997-98. He was Member of Governing Council of Banking Codes and Standards Boards of India. He has worked on various committees of the SEBI and RBI. Mr. Chitale served as a Member of the Committee for Collective Investment Scheme, Working Group on Restructuring of Weak Public Sector Banks and Company Law Advisory Committee of the Central Government. He has been a practicing Chartered Accountant since 1973. He was also a member of the Advisory Board on Bank, Commercial and Financial Frauds and the Board of Supervision of NABARD. |
| Disclosure of relationship between directors inter-se | None |
| Name of Listed entities in which the person also holds the directorship and the membership of Committees of the Board; and | <ol style="list-style-type: none"> Larsen & Toubro Limited Membership-Audit Committee. Larsen & Toubro Infotech Limited Membership-Audit Committee Essel Propack Limited Membership-Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee. Atul Limited Membership-Audit Committee, Nomination & Remuneration Committee. |
| Note: Name of Listed entities including whose equity shares are Listed. | |
| Shareholding in Bhageria Industries Limited | NIL |

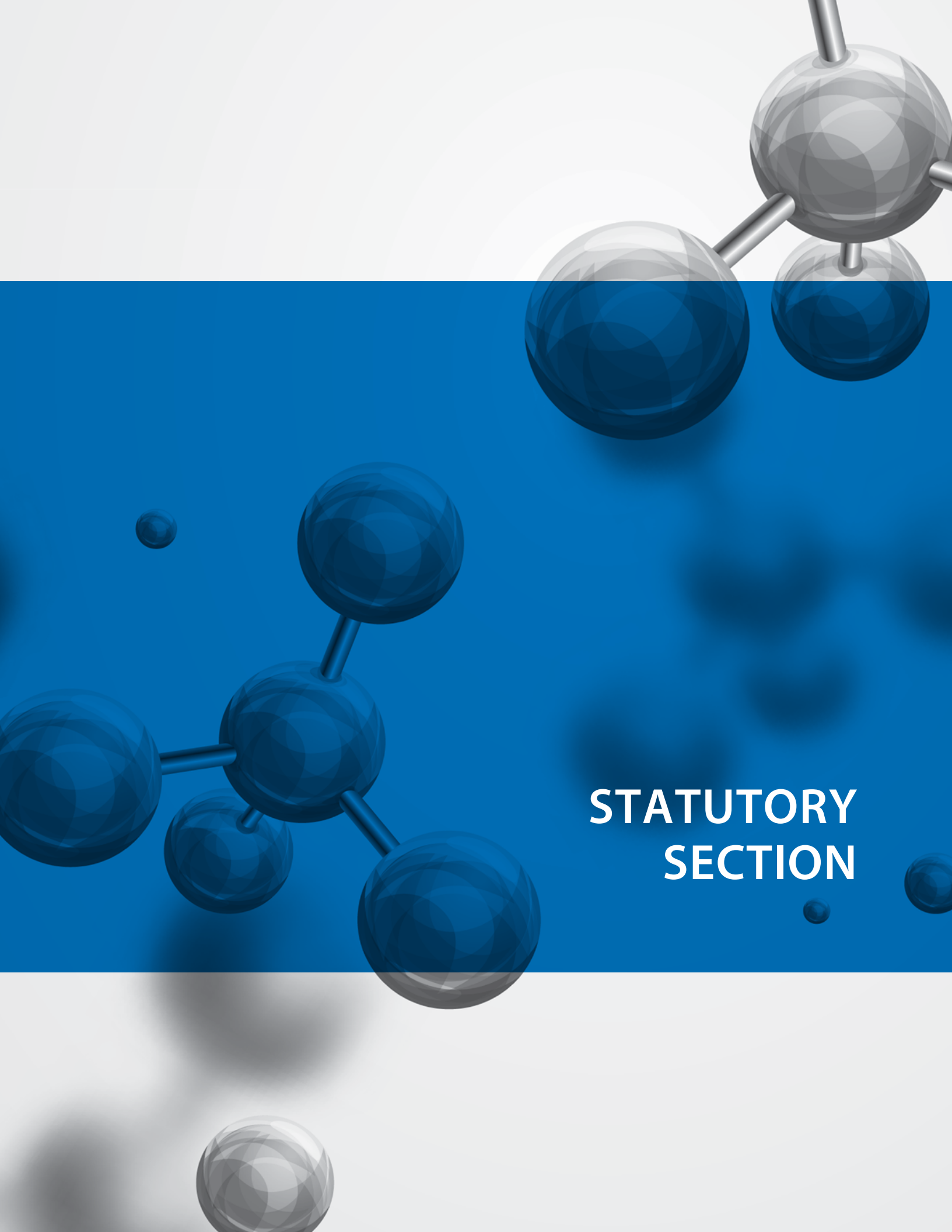
III.

| | |
|---|--|
| Name | Mr. Shashikant Parmanand Tulsian |
| Directors Identification Number (DIN) | 00018156 |
| Brief Resume & Nature of expertise in specific functional areas | Mr. S.P Tulsian is a renowned stock market, fundamental analyst with rich experience of over 42 years; a Commerce and Law Graduate, also holds professional qualifications of Chartered Accountancy & Company Secretary. |
| Disclosure of relationship between directors inter-se | None |
| Name of Listed entities in which the person also holds the directorship and the membership of Committees of the Board; and Shareholding in Bhageria Industries Limited | None |
| | NIL |

Registered Office:
1002, 10th Floor,
Topiwala Centre,
Off S. V. Road,
Goregaon [West],
Mumbai - 400 062.
Date: May 29, 2019.

For and on behalf of the Board
BHAGERIA INDUSTRIES LIMITED

SURESH BHAGERIA
(DIN: 00540285)
CHAIRPERSON



STATUTORY SECTION

DIRECTORS' REPORT

To The Shareholders

Your Directors have great pleasure in presenting the 30th Annual Report together with the Audited Accounts of the Company for the financial year ended March 31, 2019.

1. Financial Highlights:

The following is the highlight of the financial performance of the Company during the year under review.

(₹ in Crores)

| Particulars | 2018-19 | 2017-18 |
|--|---------------|---------------|
| Revenue from Operations | 462.41 | 373.31 |
| Other Income | 5.29 | 11.54 |
| Total Income | 467.70 | 384.85 |
| EBITDA | 130.20 | 91.33 |
| Less : Finance Cost | 3.80 | 6.05 |
| Less : Depreciation & Amortisation expenses | 22.18 | 22.88 |
| Profit before tax | 104.21 | 62.40 |
| Tax Expenses | 32.70 | 22.06 |
| Net Profit after tax | 71.51 | 40.34 |
| Other Comprehensive Income (Net of tax) | (0.09) | (0.07) |
| Total Comprehensive Income after tax | 71.42 | 40.27 |
| Earning per shares of ₹ 5 each (In ₹) | 32.73 | 18.45 |

2. Operational Review:

During the year under review, the Company has achieved a revenue of ₹467.70 Crores as against ₹384.85 Crores in the previous financial year. The Profit after tax for the financial year 2018-19 was ₹71.51 Crores as compared to previous year of ₹40.34 Crores due to better realisations and sales volumes.

Dyes and Dye intermediates & Chemical Business

The turnover of the company from chemical business amounted to ₹429.28 Crores as against ₹348.82 Crores for the previous year. The EBIT from this segment has shown an improvement at ₹102.81 Crores as against ₹62.73 Crores in the previous year.

Solar Power Business

The turnover of the company from solar power operations has gone up to ₹33.13 Crores as against ₹24.49 Crores for the previous year. The EBIT from this segment has shown an improvement at ₹12.08 Crores as against ₹2.00 Crores in the previous year.

3. Dividend:

During the year under review, the Board of Directors in its meeting held on January 21, 2019 had approved payment of Interim Dividend of ₹3.75/- per Equity Share (@ 75 %) on 2,18,22,090 Equity Shares of the Company of face value of ₹5/- each fully paid-up aggregating to ₹8.18 Crores in addition to ₹1.68 Crores as Dividend Distribution Tax.

Your Directors have pleasure in recommending, for approval of the Members, at its 30th Annual General Meeting, a Dividend of ₹2.25/- per share of ₹5 each i.e 45 % on Present Equity Share Capital i.e. ₹10,91,10,450/-, this implies 22.5 % (i.e. ₹1.125/- per share of ₹5/- each) on Post-Bonus paid-up equity share capital of ₹21,82,20,900/- arising after 1:1 bonus issue for the year ended March 31, 2019. If approved at the forthcoming Annual General Meeting, it will result in an outflow of ₹4.91 Crores to the Members of the Company, in addition to ₹1.01 Crores as dividend distribution tax.

The Company has not transferred any amount to General Reserve during the financial year.

4. Capital Structure & Liquidity:

Authorised Share Capital

The Authorised Capital of the Company as at March 31, 2019 was ₹14,00,00,000/- (Rupees Fourteen Crores only) divided into 2,80,00,000 (Two Crores Eighty Lakhs) equity shares of ₹5/- each.

Issued and paid up Share Capital

The Paid -up Equity Share Capital as at March 31, 2019 was ₹10,91,10,450 /- (Ten Crore Ninety-One Lakh Ten Thousand Four Hundred and Fifty) divided into 2,18,22,090 (Two Crore Eighteen Lakh Twenty-Two Thousand & Ninety) Equity Shares, having face value of ₹5/- each fully paid up. During the year under review, the Company has allotted 59,42,530 equity shares to the shareholders of Nipur Chemicals Limited in pursuance to the Scheme of Amalgamation.

During the year under review, the Company has not issued any convertible securities with differential voting rights nor has granted any stock options or sweat equity or warrants. As on March 31, 2019, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

5. Subsidiaries & Associate Companies:

The Company does not have any subsidiary or associate companies.

6. Board of Directors:

Appointment/Re-appointments:

In accordance with the provisions of Section 152 of the Companies Act 2013 ("Act") and the Articles of Association of the Company, Mrs. Chandrababha Bhageria, Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment.

The Board of Directors on the recommendation of Nomination and Remuneration Committee has approved the re-appointment of Mrs. Chandrababha Bhageria as a Whole-time Director for a period of 3 years with effect from November 01, 2019. Her appointment is subject to approval of members of the Company at the forthcoming Annual General Meeting.

Based on evaluations and recommendations of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, the Board recommends re-appointment of Mr. Shashikant Parmanand Tulsian as an Independent Director for a second term of five consecutive years

with effect from April 1, 2020 to March 31, 2025, for the approval of Members.

Further, the Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Mr. Mukund Manohar Chitale as an Additional Director (independent capacity) with effect from March 25, 2019. In terms of Section 161 of the Act, Mr. Mukund Manohar Chitale holds office up to the date of ensuing Annual General Meeting. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Mukund Manohar Chitale as an Independent Director, for the approval by the members of the Company for a term of five consecutive years commencing from March 25, 2019 to March 24, 2024.

Brief profile of Mrs. Chandrababha Bhageria, Mr. Shashikant Parmanand Tulsian and Mr. Mukund Manohar Chitale has been given in the Notice convening the Annual General Meeting.

Resignation:

During the year under review, Dr. Shyam Chandrabhan Agrawal has resigned from the post of Independent Director of the Company with effect from March 22, 2019 due to his pre-occupation and personal reasons. The Board places on record its deep appreciation for the services rendered by Dr. Shyam Chandrabhan Agrawal during his tenure as Director and Member of various committees of the Board of Directors of the Company.

7. Declaration by Independent Directors:

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations.

8. Directors Responsibility Statement:

Pursuant to Section 134 of the Act, with respect to Directors Responsibility statement it is hereby confirmed:

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit 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 this 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;
- 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.

9. Key Managerial Personnel:

| Sr. No | Name of Personnel | Designation |
|--------|-----------------------------|-----------------------------|
| 1. | Mr. Suresh Bhageria | Chairperson |
| 2. | Mr. Vinod Bhageria | Managing Director |
| 3. | Mr. Vikas Bhageria | Jt. Managing Director (WTD) |
| 4. | Mrs. Chandraprabha Bhageria | Whole-time Director |
| 5. | Mr. Rakesh Kachhadiya | Chief Financial Officer |
| 6. | Mr. Ketan Gaur | Company Secretary |

10. Annual Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual directors on the basis of evaluation criteria suggested by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India. Accordingly, the Board has carried out an evaluation of its performance after taking into consideration various performance related aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, remuneration, obligations and governance etc. The performance evaluation of the Board as a whole, Chairperson and Non-Independent Directors was also carried out by the Independent Directors in their meeting held on January 21, 2019.

Similarly, the performance of various committees, individual Independent and Non-Independent Directors was evaluated by the entire Board of Directors (excluding the Director being evaluated) on various parameters like engagement, analysis, decision making, communication and interest of stakeholders etc.

The Board of Directors expressed its satisfaction with the performance of the Board, its committees and individual directors.

11. Number of Meetings of the Board of Directors:

The Board met 6 (Six) times during the financial year 2018-19. The meeting details are provided in the Corporate Governance Report that forms a part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days as prescribed in the Companies Act, 2013.

12. Audit Committee:

The details pertaining to the composition of the audit committee are included in the Corporate Governance Report, which is a part of this report.

13. Policy on Directors' Appointment and Remuneration and Other Details:

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on www.bhageriagroup.com.

14. Vigil Mechanism / Whistle Blower Policy:

The Company has a Vigil Mechanism / Whistle Blower policy to report genuine concerns, grievances, frauds and mismanagements, if any. The Vigil Mechanism /Whistle Blower policy has been posted on the website of the Company at www.bhageriagroup.com.

15. Public Deposits:

Your Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

16. Particulars of Loans, Guarantees or Investments:

During the year, there is no loan given or guarantee given or security provided by the Company covered under Section 186 of Companies Act, 2013.

Details of investments are given in the notes to the financial statements.

17. Corporate Social Responsibility Initiatives:

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure 'A' of this report. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is available on www.bhageriagroup.com.

18. Material Changes and Commitments affecting Financial Position between the end of the financial year and date of report:

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

19. Significant and Material orders passed by the Regulators or Courts:

During the year under review, The Hon'ble National Company Law Tribunal, Mumbai Bench approved the Scheme of Arrangement in the nature of Amalgamation between the Company and Nipur Chemicals Limited vide its Order dated April 5, 2018.

20. Extract of Annual Return:

An extract of the Annual Return as of March 31, 2019 pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 forming part of the report is annexed as Annexure 'B' and placed on the website of the Company as per provisions of Section 134(3)(a) available at www.bhageriagroup.com

21. Investor Education & Protection Fund (IEPF):

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends of ₹2,23,906/- in respect of financial year 2010-11. Further, 21,200 Equity shares were transferred as per the requirements of IEPF rules. The details are available on our website www.bhageriagroup.com.

22. Related Party Transactions:

Your Company has formulated a policy on related party transactions which is also available on Company's website www.bhageriagroup.com. This policy deals with the review and approval of related party transactions. The Board of Directors of the Company has approved the criteria for making the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. All related party transactions are placed before the Audit Committee

for review and approval.

All related party transactions entered during the Financial Year were in ordinary course of the business and on an arm's length basis. No material related party transactions were entered during the Financial Year by your Company. Accordingly, no disclosure is made in respect of related party transactions, as required under Section 134(3)(h) of the Act in Form AOC 2. Members may refer to note no. 47 of the financial statements which sets out related party disclosures pursuant to INDAS-24.

23. Code of Conduct:

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors, Senior Management Personnel and Employees of the Company. The Code of Conduct is dealing with ethical issues and also foster a culture of accountability and integrity. The Code in accordance with the requirements of SEBI (LODR) Regulations, 2015 has been posted on the Company's website www.bhageriagroup.com.

All the Board Members and Senior Management Personnel have confirmed compliance with the Code.

24. Statutory Auditors:

M/s. MRB & Associates, Chartered Accountants, (Firm Registration No.136306W), were appointed as the Statutory Auditors of the Company at the 28th AGM held on December 02, 2017 and will hold office until the conclusion of the 33rd AGM to be held in 2022. Their appointment was subject to ratification by the Members at every subsequent AGM. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

The Report given by M/s. MRB & Associates, Chartered Accountants, on the financial statements of the Company for the financial year 2018-2019 is a part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

25. Reporting of Frauds

During the year under review, the Statutory Auditors had not reported any matter under Section 143 (12) of the Act, therefore

no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

26. Cost Audit:

As per the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your company has been complying with the provisions of audit of cost records of the Company every year. The Board of Directors, on the recommendation of the Audit Committee, have appointed M/s Poddar & Co, Cost Accountants as the Cost Auditors to audit the accounts of the Company for the Financial Year 2019-20 at a remuneration of 90,000/- plus GST as applicable and reimbursement of out of pocket expenses. As required under the Companies Act, 2013, a resolution seeking member's approval for remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

27. Internal Audit:

Pursuant to provisions of Section 138 of the Companies Act, 2013 the Board on recommendation of the Audit Committee has appointed M/s. Kamal Dhanuka & Co, Chartered Accountants, having Registration No.131308W as Internal Auditors of the Company.

28. Secretarial Audit:

The Secretarial Audit was carried out by M/s. GMJ & Associates, a firm of Company Secretaries in Practice for the Financial Year 2018-2019. The Report given by the Secretarial Auditors is annexed as Annexure 'C' and forms an integral part of this Board's Report.

There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Secretarial Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

In terms of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee recommended and the Board of Directors have appointed M/s. GMJ & Associates, Company Secretaries as the Secretarial Auditors of the Company in relation to the financial year ending March 31, 2020. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed there under.

29. Internal Control Systems and their adequacy:

The details in respect of internal control system and their adequacy

are included in the Management Discussion and Analysis, which is a part of this report.

30. Corporate Governance and Management Discussion & Analysis Reports:

The Company adheres to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. The Company has implemented several best corporate governance practices.

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexures, together with the Certificate from the Statutory Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015.

31. Risk Management:

The Company has a risk management framework to identify, evaluate various elements of risk and opportunities. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the company's competitive advantages. Further details are set out in the Management Discussion and Analysis Report forming integral part of this report.

32. Particulars Regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in Annexure 'D' to this Report.'

33. Disclosure under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. The Company affirms that during the year under review, the company has complied with the provisions relating to Internal Complaints Committee and no complaints were received by the Committee for redressal.

34. Environment and Safety:

The Company is aware of the importance of environmentally clean

and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances, environmental regulations and preservation of natural resources at the Plant.

35. Particulars of Employees:

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure 'E' & 'F' to this Report.

36. Affirmation on Compliance of Secretarial Standards:

The Board of Directors of the Company has affirmed with the compliances of Secretarial Standards issued by Institute of Company Secretaries of India.

37. Listing:

The Company's Shares are listed on BSE Limited and National Stock Exchange of India Limited, Mumbai.

38. Appreciation:

Your Directors would like to express their sincere appreciation to the company's Shareholders, Vendors and Stakeholders including Banks, Government authorities, other business associates, who have extended their valuable sustained support and encouragement during the year under review. Your Directors also wish to place on record their appreciation for the hard work, solidarity, cooperation and support of employees at all levels.

Registered Office:

1002, 10th Floor,
Topiwala Centre,
Off S. V. Road,
Goregaon [West],
Mumbai - 400 062.
Date: May 29, 2019.

For and on behalf of the Board
BHAGERIA INDUSTRIES LIMITED

SURESH BHAGERIA
CHAIRPERSON
(DIN: 00540285)

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

CSR policy is stated herein below:

CSR Policy (Approved by the Board of Directors on May 10, 2014)

Our aim is to be one of the most respected companies in India delivering superior and everlasting value to all our customers, associates, shareholders, employees and Society at large.

The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.

To pursue these objectives we will continue to:

- 1) Improving the quality of life in rural area.
- 2) Eradicating hunger, poverty and malnutrition,
- 3) Promoting healthcare including preventive healthcare.
- 4) Employment enhancing vocational skills.
- 5) Promotion of education including investment in technology in schools
- 6) Ensuring environment sustainability including measures for reducing inequalities faced by socially and economically backward groups.
- 7) Promoting sports including rural and Olympic sports.
- 8) Contribution to funds for promoting technology.
- 9) Investing in various rural development projects.
- 10) Contribution to the Prime Minister's National Relief Fund or any other fund setup by the Central Government for development and relief
- 11) Collaborate with likeminded bodies like Voluntary organizations, charitable trusts, governments and academic institutes in pursuit of our goals.
- 12) Interact regularly with stakeholders, review and publicly report our CSR initiatives and
- 13) Other areas approved by the CSR Committee that are covered in the CSR Rules as amended from time to time.

Web Link: www.bhageriagroup.com

2. Composition of CSR committee:

| Name of The Member | Designation |
|-----------------------------|-------------|
| Mr. Surendra Shriram Gupta | Chairperson |
| Mrs. Chandrabhabha Bhageria | Member |
| Mr. Vinod Bhageria | Member |

3. Average net profit of the company for last three financial years: ₹5035.00 Lakhs

4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above): ₹100.70 Lakhs

5. Details of CSR spend for the financial year:

- Total amount spent for the financial year: ₹104.00 Lakhs
- Amount unspent if any: NIL
- Manner in which the amount spent during the financial year is detailed below:

| Sr. No | Projects/Activities | Sector | Location | Amount Outlay (Budget) Project or Programs wise (in Lakhs) | Amount Spent on the Project or programs (in Lakhs) | Cumulative Expenditure upto reporting period (in Lakhs) | Amount spent direct or through implementing agency |
|--------------|---|---|---|--|--|---|--|
| 1 | Nalpani Yojana | Rural Development | Tetwali, Ratnagiri, Maharashtra | 2.50 | 2.50 | 2.50 | Tetwali Sarodewadi Nalpani Yojana |
| 2 | Health Check-up Camp | Health & Literacy | Boisar, Maharashtra | 0.45 | 0.45 | 0.45 | Rotary Club of Boisar |
| 3 | Distributed Two Seater Benches for students in school | Health & Literacy | Jawahar Village, Maharashtra | 0.71 | 0.71 | 0.71 | Direct |
| 4 | Distribution of Food Items in Village | Eradicating Hunger,Poverty and Malnutrition | Salvad Village, Boisar, Maharashtra | 12.61 | 12.61 | 12.61 | Direct |
| 5 | Contribution in R&D for eradicating malnutrition | Eradicating Hunger,Poverty and Malnutrition | Bhayander, Thane, Maharashtra | 11.00 | 4.22 | 4.22 | Direct |
| 6 | Distribution of Clothes | Eradicating Hunger,Poverty and Malnutrition | Nashik, Maharashtra | 1.33 | 1.33 | 1.33 | Direct |
| 7 | Construction of Toilet Blocks at Prathamik Shala Nagvas | Rural Development | Pratham Pada, Valsad, Gujarat | 0.47 | 0.47 | 0.47 | Jay Bajrangbali Gram Vikash Mandal |
| 8 | Flood affected people of Kerala | Eradicating Hunger,Poverty and Malnutrition | Thiruvantapuram, Kerala | 1.00 | 1.00 | 1.00 | Vapi Industries Association |
| 9 | Promoting Education | Literacy | Jhunjhunu, Rajasthan | 5.00 | 5.00 | 5.00 | Adarsh Shikshan Sansthan |
| 10 | Promoting Education | Literacy | New Delhi | 5.00 | 5.00 | 5.00 | Vision India Foundation |
| 11 | Health & Education | Health & Literacy | Nashik, Maharashtra | 12.75 | 12.75 | 12.75 | Babasaheb Ambedkar Vaidyakiya Pratishthan |
| 12 | Health & Education | Health & Literacy | Latur, Maharashtra | 35.00 | 35.00 | 35.00 | Vivekanand Medical Foundation & Research Centre |
| 13 | Construction of Water Tank and Water Supply System | Rural Development | Kombhalane, Taluka - Akole, Ahmednagar. | 50.00 | 22.97 | 53.06 | Direct |
| Total | | | | 137.81 | 104.00 | 134.09 | |

**For and on behalf of the Board
Bhageria Industries Limited**

Place: Mumbai
Date: May 29, 2019

Suresh Bhageria
Chairperson
DIN:00540285

Surendra Shriram Gupta
Chairperson CSR Committee
DIN: 01147494

EXTRACT OF ANNUAL RETURN FORM NO. MGT-9

As on financial year ended 31-03-2019

[Pursuant to Section 92(3) of the Companies act, 2013 read with [The Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | |
|---|---|
| CIN:- | L40300MH1989PLC052574 |
| Registration Date: | 12/07/89 |
| Name of the Company: | Bhageria Industries Limited |
| Category / Sub-Category of the Company | Company limited by shares & Indian Non-Government Company |
| Address of the Registered office and contact details: | Office No -1002,10th Floor, Topiwala Centre,off S.V. Road,Goregaon West,Mumbai-400062 Tel:022-40436666, Email:info@bhageriagroup.com |
| Whether listed company | Yes |
| Name, Address and Contact details of Registrar and Transfer Agent, if any | Sharex Dynamic (India) Private Limited C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai-400083 Tel: 022 28515606/28515644, Email: support@sharexindia.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the Business activities contributing to 10% or more of the total turnover the company shall be stated:-

| Sr. No | Name and Description of main products / services | NIC Code of the Product/ service % to total turnover of the company | % to total turnover of the company |
|--------|--|---|------------------------------------|
| a. | Organic Chemicals | 20119 | 92.84 |
| b. | Solar Power | 35105 | 7.16 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No | Name and address of the company | CIN/GLN | Holding/Subsidiary/ Associate |
|--------|---------------------------------|---------|-------------------------------|
|--------|---------------------------------|---------|-------------------------------|

.....Not Applicable.....

IV. SHARE HOLDING PATTERN

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year 01-04-2018 | | | | No. of Shares held at the end of the year 31-03-2019 | | | | % Change during the year |
|------------------------------------|---|----------|---------|-------------------|--|----------|----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. PROMOTER'S | | | | | | | | | |
| (1). INDIAN | | | | | | | | | |
| (a). Individual/HUF | 6031273 | 0 | 6031273 | 37.872 | 9492737 | 0 | 9492737 | 43.501 | 5.629 |
| (b). Central Government | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c). State Government(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d). Bodies Corporates | 2555950 | 0 | 2555950 | 16.049 | 5888451 | 0 | 5888451 | 26.984 | 10.935 |
| (e). Financial Institutions/ Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (f). Any Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (A) (1):- | 8587223 | 0 | 8587223 | 53.921 | 15381188 | 0 | 15381188 | 70.485 | 16.564 |
| (2). FOREIGN | | | | | | | | | |
| (a). Individual NRI / For Ind | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b). Other Individual | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c). Bodies Corporates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Category of Shareholders | No. of Shares held at the beginning of the year 01-04-2018 | | | | No. of Shares held at the end of the year 31-03-2019 | | | | % Change during the year |
|---|--|---------------|-----------------|-------------------|--|---------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (d). Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e). Qualified Foreign Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (f). Any Other Specify | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (A) (2):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2)" | 8587223 | 0 | 8587223 | 53.921 | 15381188 | 0 | 15381188 | 70.485 | 16.564 |
| (B) PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| (a). Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b). Banks / Financial Institutions | 13103 | 0 | 13103 | 0.082 | 11255 | 0 | 11255 | 0.052 | -0.030 |
| (c). Central Government (IEPF) | 122400 | 0 | 122400 | 0.769 | 141800 | 0 | 141800 | 0.650 | -0.119 |
| (d). State Government(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e). Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (f). Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (g). FIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (h). Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (i). Others (Alternate Investment Funds) | 0 | 0 | 0 | 0 | 3414 | 0 | 3414 | 0.016 | 0.016 |
| Sub-total (B)(1):- | 135503 | 0 | 135503 | 0.851 | 156469 | 0 | 156469 | 0.718 | -0.133 |
| 2. Non-Institutions | | | | | | | | | |
| (a). Bodies Corporate | | | | | | | | | |
| (i). Indian | 3645813 | 3400 | 3649213 | 22.914 | 2573718 | 3400 | 2577118 | 11.810 | -11.104 |
| (ii). Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b). Individuals | | | | | | | | | |
| (i) Individual shareholders holding nominal share capital upto ₹1 lakh | 2400040 | 251227 | 2651267 | 16.648 | 2541830 | 211027 | 2752857 | 12.615 | -4.033 |
| (ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh | 551285 | 0 | 551285 | 3.462 | 661000 | 0 | 661000 | 3.029 | -0.433 |
| (c). Other (specify) | | | | | | | | | |
| Non Resident Indians | 156679 | 158200 | 314879 | 1.977 | 143481 | 138200 | 281681 | 1.291 | -0.686 |
| Overseas Corporate Bodies | 25571 | 0 | 25571 | 0.161 | 0 | 0 | 0 | 0 | -0.161 |
| Foreign Nationals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Clearing Members | 10559 | 0 | 10559 | 0.066 | 11777 | 0 | 11777 | 0.054 | -0.012 |
| Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Foreign Boodies - D R | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(2):- | 6789947 | 412827 | 7202774 | 45.228 | 5931806 | 352627 | 6284433 | 28.799 | -16.429 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 6925450 | 412827 | 7338277 | 46.079 | 6088275 | 352627 | 6440902 | 29.517 | -16.562 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 15512673 | 412827 | 15925500 | 100.00 | 21469463 | 352627 | 21822090 | 100.00 | 0 |

(ii) Shareholding of promoters

| Sr. No | Shareholder's Name | Shareholding at the beginning of the year | | | ShareHolding at the end of the Year | | | % changes in share holding during the year |
|--------|---|---|----------------------------------|---|-------------------------------------|----------------------------------|---|--|
| | | No.of Shares | % of total Shares of the company | % of shares Pledged/ encumbered to total shares | No.of Shares | % of total Shares of the company | % of shares Pledged/ encumbered to total shares | |
| 1 | BHAGERIA TRADE INVEST PRIVATE LIMITED | 2300599 | 14.446 | 0 | 3255265 | 14.917 | 0 | 0.471 |
| 2 | AKASHDEEP INTERNATIONAL PRIVATE LIMITED | 209411 | 1.315 | 0 | 1984186 | 9.093 | 0 | 7.778 |
| 3 | SURESH KESHAVDEO BHAGERIA | 1107026 | 6.951 | 0 | 1976347 | 9.057 | 0 | 2.106 |
| 4 | DEEPAK VISHWAMBHARLAL BHAGERIA | 836352 | 5.252 | 0 | 1198637 | 5.493 | 0 | 0.241 |
| 5 | RAKESH NIRANJANLAL BHAGERIA | 811901 | 5.098 | 0 | 1048718 | 4.806 | 0 | -0.292 |
| 6 | VIKAS SURESH BHAGERIA | 783932 | 4.922 | 0 | 783932 | 3.592 | 0 | -1.33 |
| 7 | ALLIED RAINBOW ASIA STEEL PRIVATE LIMITED | 0 | 0.000 | 0 | 649000 | 2.974 | 0 | -1.101 |
| 8 | RAHUL NIRANJANLAL BHAGERIA | 174557 | 1.096 | 0 | 574654 | 2.633 | 0 | 1.537 |
| 9 | SURESH KUMAR BHAGERIA HUF | 186288 | 1.170 | 0 | 484596 | 2.221 | 0 | 1.051 |
| 10 | CHANDRAPRABHA SURESH BHAGERIA | 448686 | 2.817 | 0 | 450353 | 2.064 | 0 | -0.753 |
| 11 | ASHA DINESH BHAGERIA | 107090 | 0.672 | 0 | 442260 | 2.027 | 0 | 1.355 |
| 12 | HARSHITA VIKAS BHAGERIA | 392111 | 2.462 | 0 | 404421 | 1.853 | 0 | -0.609 |
| 13 | DINESH VISHAMBHARLAL BHAGERIA | 180652 | 1.134 | 0 | 353084 | 1.618 | 0 | 0.484 |
| 14 | ARCHANA DEEPAK BHAGERIA | 105262 | 0.661 | 0 | 295012 | 1.352 | 0 | 0.691 |
| 15 | DHWANI RAHUL BHAGERIA | 51400 | 0.323 | 0 | 249483 | 1.143 | 0 | 0.82 |
| 16 | SONIKA RAKESH BHAGERIA | 102203 | 0.642 | 0 | 204393 | 0.937 | 0 | 0.295 |
| 17 | CHANDADEVI BHAGERIA | 156706 | 0.984 | 0 | 165506 | 0.758 | 0 | -0.226 |
| 18 | DEEPAK BHAGERIA (HUF) | 129342 | 0.812 | 0 | 163982 | 0.751 | 0 | -0.061 |
| 19 | SNEHLATA | 60744 | 0.381 | 0 | 160744 | 0.737 | 0 | 0.356 |
| 20 | DINESH BHAGERIA (HUF) | 127831 | 0.803 | 0 | 127831 | 0.586 | 0 | -0.217 |
| 21 | VIKAS BHAGERIA (HUF) | 63757 | 0.400 | 0 | 116833 | 0.535 | 0 | 0.135 |
| 22 | RAHUL BHAGERIA (HUF) | 58606 | 0.368 | 0 | 112121 | 0.514 | 0 | 0.146 |
| 23 | RAKESH BHAGERIA HUF | 71064 | 0.446 | 0 | 104064 | 0.477 | 0 | 0.031 |
| 24 | *NIPUR CHEMICALS LTD | 45940 | 0.288 | 0 | 0 | 0.000 | 0 | -0.288 |
| 25 | VISHAMBHARLAL KESHAVDEO BHAGERIA | 19600 | 0.123 | 0 | 19600 | 0.090 | 0 | -0.033 |
| 26 | VANITA SARAF | 16000 | 0.100 | 0 | 16000 | 0.073 | 0 | -0.027 |
| 27 | ADITYA V BHAGERIA | 14545 | 0.091 | 0 | 14548 | 0.067 | 0 | -0.024 |
| 28 | ANJUSHREE A BHAGERIA | 13000 | 0.082 | 0 | 13000 | 0.060 | 0 | -0.022 |
| 29 | ABHISHEK VINOD BHAGERIA | 4600 | 0.029 | 0 | 4600 | 0.021 | 0 | -0.008 |
| 30 | VINOD KESHAWDEO BHAGERIA | 4018 | 0.025 | 0 | 4018 | 0.018 | 0 | -0.007 |
| 31 | ABHISHEK V BHAGERIA HUF | 4000 | 0.025 | 0 | 4000 | 0.018 | 0 | -0.007 |

Note:

- * During the year under review, Nipur Chemicals Ltd has amalgamated into Bhageria Industries Limited, vide NCLT Order dated April 05,2018 and 45940 shares stand cancelled on account of cross holding.
- The reduction in the % shareholding of promoters at the end of the year also due to allotment of shares in pursuance to scheme of amalgamation during the year.

(iii) Change in Promoter's Shareholding(Please specify,if there is no change)

| Sr. No | Name | No. of Shares at the beginning (01.04.2018)/ end of the Year (31.03.2019) | % of the Shares of the company | Date | Increasing/ Decreasing in shareholding | Reason | No. of shares | % of total Shares of the company |
|--------|---|---|--------------------------------|------------|--|--------------|---------------|----------------------------------|
| 1 | BHAGERIA TRADE INVEST PRIVATE LIMITED | 2300599 | 14.446 | 01-04-2018 | | | | |
| | | | | 20-04-2018 | 8666 | Buy | 2309265 | 14.500 |
| | | | | 19-05-2018 | 946000 | Amalgamation | 3255265 | 20.441 |
| | -Closing Balance | 3255265 | 14.917 | 31-03-2019 | | | | |
| 2 | AKASHDEEP INTERNATIONAL PRIVATE LIMITED | 209411 | 1.315 | 01-04-2018 | | | | |
| | | | | 19-05-2018 | 1774740 | Amalgamation | 1984151 | 12.459 |
| | | | | 08-06-2018 | 35 | Buy | 1984186 | 9.093 |
| | -Closing Balance | 1984186 | 9.093 | 31-03-2019 | | | | |
| 3 | SURESH KESHAVDEO BHAGERIA | 1107026 | 6.951 | 01-04-2018 | | | | |
| | | | | 20-04-2018 | 31305 | Buy | 1138331 | 7.148 |
| | | | | 19-05-2018 | 313016 | Amalgamation | 1451347 | 9.113 |
| | | | | 13-07-2018 | 525000 | Buy | 1976347 | 9.057 |
| | -Closing Balance | 1976347 | 9.057 | 31-03-2019 | | | | |
| 4 | DEEPAK VISHWAMBHARLAL BHAGERIA | 836352 | 5.252 | 01-04-2018 | | | | |
| | | | | 19-05-2018 | 362285 | Amalgamation | 1198637 | 7.527 |
| | -Closing Balance | 1198637 | 5.493 | 31-03-2019 | | | | |
| 5 | RAKESH NIRANJANLAL BHAGERIA | 811901 | 5.098 | 01-04-2018 | | | | |
| | | | | 20-04-2018 | 33900 | Buy | 845801 | 5.311 |
| | | | | 19-05-2018 | 202917 | Amalgamation | 1048718 | 6.585 |
| | -Closing Balance | 1048718 | 4.806 | 31-03-2019 | | | | |
| 6 | RAHUL NIRANJANLAL BHAGERIA | 174557 | 1.096 | 01-04-2018 | | | | |
| | | | | 20-04-2018 | 50000 | Buy | 224557 | 1.410 |
| | | | | 19-05-2018 | 350097 | Amalgamation | 574654 | 3.608 |
| | -Closing Balance | 574654 | 2.633 | 31-03-2019 | | | | |
| 7 | SURESH KUMAR BHAGERIA HUF | 186288 | 1.170 | 01-04-2018 | | | | |
| | | | | 20-04-2018 | 15168 | Buy | 201456 | 1.265 |
| | | | | 19-05-2018 | 283140 | Amalgamation | 484596 | 3.043 |
| | -Closing Balance | 484596 | 2.221 | 31-03-2019 | | | | |
| 8 | CHANDRAPRABHA SURESH BHAGERIA | 448686 | 2.817 | 01-04-2018 | | | | |
| | | | | 20-04-2018 | 1667 | Buy | 450353 | 2.828 |
| | -Closing Balance | 450353 | 2.064 | 31-03-2019 | | | | |
| 9 | ASHA DINESH BHAGERIA | 107090 | 0.672 | 01-04-2018 | | | | |

| Sr. No | Name | No. of Shares at the beginning (01.04.2018)/ end of the Year (31.03.2019) | % of the Shares of the company | Date | Increasing/ Decreasing in shareholding | Reason | No. of shares | % of total Shares of the company |
|--------|-------------------------------|---|--------------------------------|------------|--|--------------|---------------|----------------------------------|
| | | | | 19-05-2018 | 335170 | Amalgamation | 442260 | 2.777 |
| | -Closing Balance | 442260 | 2.027 | 31-03-2019 | | | | |
| 10 | HARSHITA VIKAS BHAGERIA | 392111 | 2.462 | 01-04-2018 | | | | |
| | | | | 20-04-2018 | 12310 | Buy | 404421 | 2.539 |
| | -Closing Balance | 404421 | 1.853 | 31-03-2019 | | | | |
| 11 | DINESH VISHAMBHARLAL BHAGERIA | 180652 | 1.134 | 01-04-2018 | | | | |
| | | | | 20-04-2018 | 667 | Buy | 181319 | 1.139 |
| | | | | 19-05-2018 | 171765 | Amalgamation | 353084 | 2.217 |
| | -Closing Balance | 353084 | 1.618 | 31-03-2019 | | | | |
| 12 | ARCHANA DEEPAK BHAGERIA | 105262 | 0.661 | 01-04-2018 | | | | |
| | | | | 19-05-2018 | 189750 | Amalgamation | 295012 | 1.852 |
| | -Closing Balance | 295012 | 1.352 | 31-03-2019 | | | | |
| 13 | DHWANI RAHUL BHAGERIA | 51400 | 0.323 | 01-04-2018 | | | | |
| | | | | 20-04-2018 | 30333 | Buy | 81733 | 0.513 |
| | | | | 19-05-2018 | 167750 | Amalgamation | 249483 | 1.567 |
| | -Closing Balance | 249483 | 1.143 | 31-03-2019 | | | | |
| 14 | SONIKA RAKESH BHAGERIA | 102203 | 0.642 | 01-04-2018 | | | | |
| | | | | 19-05-2018 | 102190 | Amalgamation | 204393 | 1.283 |
| | -Closing Balance | 204393 | 0.937 | 31-03-2019 | | | | |
| 15 | CHANDADEVI BHAGERIA | 156706 | 0.984 | 01-04-2018 | | | | |
| | | | | 19-05-2018 | 8800 | Amalgamation | 165506 | 1.039 |
| | -Closing Balance | 165506 | 0.758 | 31-03-2019 | | | | |
| 16 | DEEPAK BHAGERIA (HUF) | 129342 | 0.812 | 01-04-2018 | | | | |
| | | | | 20-04-2018 | 34640 | Buy | 163982 | 1.030 |
| | -Closing Balance | 163982 | 0.751 | 31-03-2019 | | | | |
| 17 | SNEHLATA | 60744 | 0.381 | 01-04-2018 | | | | |
| | | | | 06-04-2018 | 100000 | Transfer | 160744 | 1.009 |
| | -Closing Balance | 160744 | 0.737 | 31-03-2019 | | | | |
| 18 | VIKAS BHAGERIA (HUF) | 63757 | 0.400 | 01-04-2018 | | | | |
| | | | | 20-04-2018 | 35916 | Buy | 99673 | 0.626 |
| | | | | 19-05-2018 | 17160 | Amalgamation | 116833 | 0.734 |
| | -Closing Balance | 116833 | 0.535 | 31-03-2019 | | | | |
| 19 | RAHUL BHAGERIA (HUF) | 58606 | 0.368 | 01-04-2018 | | | | |
| | | | | 20-04-2018 | 17765 | Buy | 76371 | 0.480 |
| | | | | 19-05-2018 | 35750 | Amalgamation | 112121 | 0.704 |
| | -Closing Balance | 112121 | 0.514 | 31-03-2019 | | | | |

| Sr. No | Name | No. of Shares at the beginning (01.04.2018)/ end of the Year (31.03.2019) | % of the Shares of the company | Date | Increasing/ Decreasing in shareholding | Reason | No. of shares | % of total Shares of the company |
|--------|---------------------|---|--------------------------------|------------|--|---|---------------|----------------------------------|
| 20 | RAKESH BHAGERIA HUF | 71064 | 0.446 | 01-04-2018 | | | | |
| | | | | 19-05-2018 | 33000 | Amalgamation | 104064 | 0.653 |
| | -Closing Balance | 104064 | 0.477 | 31-03-2019 | | | | |
| 21 | ADITYA V BHAGERIA | 14545 | 0.091 | 01-04-2018 | | | | |
| | | | | 13-04-2018 | 3 | Buy | 14548 | 0.091 |
| | -Closing Balance | 14548 | 0.067 | 31-03-2019 | | | | |
| 22 | NIPUR CHEMICALS LTD | 45940 | 0.288 | 01-04-2018 | | | | |
| | | | | 29-06-2018 | -45940 | Amalgamated into Company and shares cancelled on account of cross holding | 0 | 0.000 |
| | -Closing Balance | 0 | 0.000 | 31-03-2019 | | | | |

(iv) Shareholding pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs):

| Sr. No | Name | No. of Shares at the beginning /end of the Year | % of the Shares of the company | Date | Increasing/ Decreasing in shareholding | Reason | No. of shares | % of total Shares of the company |
|--------|---|---|--------------------------------|------------|--|-----------|---------------|----------------------------------|
| 1 | PRISM SCAN EXPRESS PRIVATE LIMITED | 978595 | 6.145 | 01-04-2018 | | | | |
| | | | | 28-12-2018 | -5000 | Sold | 973595 | 4.462 |
| | -Closing Balance | 973595 | 4.462 | 31-03-2019 | | | | |
| 2 | FUTURAGE CORPORATE CARE PRIVATE LIMITED | 962894 | 6.046 | 01-04-2018 | | | | |
| | | | | 28-12-2018 | -4675 | Sold | 958219 | 4.391 |
| | -Closing Balance | 958219 | 4.391 | 31-03-2019 | | | | |
| 3 | BODAL CHEMICALS LIMITED | 200000 | 1.256 | 01-04-2018 | | | | |
| | -Closing Balance | 200000 | 0.917 | 31-03-2019 | | No Change | | |
| 4 | KADMAWALA TEXTILE MILLS PRIVATE LIMITED | 179461 | 1.127 | 01-04-2018 | | | | |
| | | | | 18-05-2018 | 762 | Buy | 180223 | 1.132 |
| | | | | 25-05-2018 | 1119 | Buy | 181342 | 1.139 |
| | | | | 01-06-2018 | -5881 | Sold | 175461 | 1.102 |
| | | | | 15-06-2018 | 2773 | Buy | 178234 | 1.119 |
| | | | | 22-06-2018 | 1227 | Buy | 179461 | 1.127 |
| | | | | 03-08-2018 | -10000 | Sold | 169461 | 0.777 |
| | | | | 10-08-2018 | 5000 | Buy | 174461 | 0.799 |
| | | | | 31-08-2018 | 1501 | Buy | 175962 | 0.806 |
| | | | | 28-09-2018 | 4858 | Buy | 180820 | 0.829 |

| Sr. No | Name | No. of Shares at the beginning /end of the Year | % of the Shares of the company | Date | Increasing/ Decreasing in shareholding | Reason | No. of shares | % of total Shares of the company |
|--------|--|---|--------------------------------|------------|--|----------------------|---------------|----------------------------------|
| | | | | 19-10-2018 | -2 | Sold | 180818 | 0.829 |
| | | | | 26-10-2018 | -16859 | Sold | 163959 | 0.751 |
| | | | | 02-11-2018 | 1791 | Buy | 165750 | 0.760 |
| | | | | 29-03-2019 | -1050 | Sold | 164700 | 0.755 |
| | -Closing Balance | 164700 | 0.755 | 31-03-2019 | | | | |
| 5 | INVESTOR EDUCATION AND PROTECTION FUND | 122400 | 0.769 | 01-04-2018 | | | | |
| | | | | 27-07-2018 | -200 | Refund Approved | 122200 | 0.560 |
| | | | | 05-10-2018 | 21200 | Transfer during year | 143400 | 0.657 |
| | | | | 01-03-2019 | -1000 | Refund Approved | 142400 | 0.653 |
| | | | | 22-03-2019 | -400 | Refund Approved | 142000 | 0.651 |
| | | | | 29-03-2019 | -200 | Refund Approved | 141800 | 0.650 |
| | -Closing Balance | 141800 | 0.650 | 31-03-2019 | | | | |
| 6 | BHAVARDEVI V AGARWAL | 60000 | 0.377 | 01-04-2018 | | | | |
| | | | | 04-01-2019 | 61000 | Buy | 121000 | 0.554 |
| | -Closing Balance | 121000 | 0.554 | 31-03-2019 | | | | |
| 7 | AJAY VISHWANATH AGARWAL | 74000 | 0.465 | 01-04-2018 | | | | |
| | -Closing Balance | 74000 | 0.339 | 31-03-2019 | | No Change | | |
| 8 | MANJULA JAYANTILAL SHAH | 73014 | 0.458 | 01-04-2018 | | | | |
| | -Closing Balance | 73014 | 0.335 | 31-03-2019 | | No Change | | |
| 9 | CHOICE EQUITY BROKING PRIVATE LIMITED | 54653 | 0.343 | 01-04-2018 | | | | |
| | | | | 06-04-2018 | 68321 | Buy | 122974 | 0.772 |
| | | | | 13-04-2018 | -120844 | Sold | 2130 | 0.013 |
| | | | | 20-04-2018 | 30 | Buy | 2160 | 0.014 |
| | | | | 27-04-2018 | 625 | Buy | 2785 | 0.017 |
| | | | | 04-05-2018 | 944 | Buy | 3729 | 0.023 |
| | | | | 11-05-2018 | 32931 | Buy | 36660 | 0.230 |
| | | | | 18-05-2018 | -10805 | Sold | 25855 | 0.162 |
| | | | | 25-05-2018 | -9832 | Sold | 16023 | 0.101 |
| | | | | 01-06-2018 | -6799 | Sold | 9224 | 0.058 |
| | | | | 08-06-2018 | -763 | Sold | 8461 | 0.053 |
| | | | | 15-06-2018 | -5955 | Sold | 2506 | 0.016 |
| | | | | 22-06-2018 | -277 | Sold | 2229 | 0.014 |
| | | | | 30-06-2018 | 312 | Buy | 2541 | 0.012 |
| | | | | 06-07-2018 | -40 | Sold | 2501 | 0.011 |

| Sr. No | Name | No.of Shares at the beginning /end of the Year | % of the Shares of the company | Date | Increasing/ Decreasing in shareholding | Reason | No.of shares | % of total Shares of the company |
|--------|--|--|--------------------------------|------------|--|-----------|--------------|----------------------------------|
| | | | | 13-07-2018 | 1350 | Buy | 3851 | 0.018 |
| | | | | 20-07-2018 | 59 | Buy | 3910 | 0.018 |
| | | | | 27-07-2018 | -444 | Sold | 3466 | 0.016 |
| | | | | 03-08-2018 | -450 | Sold | 3016 | 0.014 |
| | | | | 10-08-2018 | -2007 | Sold | 1009 | 0.005 |
| | | | | 24-08-2018 | 1319 | Buy | 2328 | 0.011 |
| | | | | 31-08-2018 | -2128 | Sold | 200 | 0.001 |
| | | | | 07-09-2018 | 228 | Buy | 428 | 0.002 |
| | | | | 14-09-2018 | -181 | Sold | 247 | 0.001 |
| | | | | 28-09-2018 | 391 | Buy | 638 | 0.003 |
| | | | | 05-10-2018 | -30 | Sold | 608 | 0.003 |
| | | | | 12-10-2018 | 1882 | Buy | 2490 | 0.011 |
| | | | | 19-10-2018 | -1975 | Sold | 515 | 0.002 |
| | | | | 26-10-2018 | -242 | Sold | 273 | 0.001 |
| | | | | 02-11-2018 | 52 | Buy | 325 | 0.001 |
| | | | | 09-11-2018 | 553 | Buy | 878 | 0.004 |
| | | | | 16-11-2018 | 47 | Buy | 925 | 0.004 |
| | | | | 23-11-2018 | -100 | Sold | 825 | 0.004 |
| | | | | 30-11-2018 | 35 | Buy | 860 | 0.004 |
| | | | | 07-12-2018 | -28 | Sold | 832 | 0.004 |
| | | | | 14-12-2018 | -36 | Sold | 796 | 0.004 |
| | | | | 21-12-2018 | 129 | Buy | 925 | 0.004 |
| | | | | 28-12-2018 | -224 | Sold | 701 | 0.003 |
| | | | | 31-12-2018 | 2097 | Buy | 2798 | 0.013 |
| | | | | 04-01-2019 | -2092 | Sold | 706 | 0.003 |
| | | | | 11-01-2019 | -5 | Sold | 701 | 0.003 |
| | | | | 18-01-2019 | 324 | Buy | 1025 | 0.005 |
| | | | | 25-01-2019 | 8525 | Buy | 9550 | 0.044 |
| | | | | 01-02-2019 | -9350 | Sold | 200 | 0.001 |
| | | | | 08-02-2019 | 5 | Buy | 205 | 0.001 |
| | | | | 08-03-2019 | 763 | Buy | 968 | 0.004 |
| | | | | 15-03-2019 | -563 | Sold | 405 | 0.002 |
| | | | | 22-03-2019 | 14535 | Buy | 14940 | 0.068 |
| | | | | 29-03-2019 | 47661 | Buy | 62601 | 0.287 |
| | -Closing Balance | 62601 | 0.287 | 31-03-2019 | | | | |
| 10 | PRITI PREMAKUMAR | 60000 | 0.377 | 01-04-2018 | | | | |
| | -Closing Balance | 60000 | 0.275 | 31-03-2019 | | No Change | | |
| 11 | NIRMAL BANG FINANCIAL SERVICES PRIVATE LIMITED | 112220 | 0.705 | 01-04-2018 | | | | |
| | | | | 06-04-2018 | -100000 | Sold | 12220 | 0.077 |
| | | | | 13-04-2018 | -8210 | Sold | 4010 | 0.025 |
| | | | | 20-04-2018 | 5420 | Buy | 9430 | 0.059 |
| | | | | 27-04-2018 | 9080 | Buy | 18510 | 0.116 |

| Sr. No | Name | No.of Shares at the beginning /end of the Year | % of the Shares of the company | Date | Increasing/ Decreasing in shareholding | Reason | No.of shares | % of total Shares of the company |
|--------|-------------------------------------|--|--------------------------------|------------|--|--------|--------------|----------------------------------|
| | | | | 04-05-2018 | 35176 | Buy | 53686 | 0.337 |
| | | | | 11-05-2018 | -1234 | Sold | 52452 | 0.329 |
| | | | | 18-05-2018 | -6003 | Sold | 46449 | 0.292 |
| | | | | 25-05-2018 | 23942 | Buy | 70391 | 0.442 |
| | | | | 01-06-2018 | -31561 | Sold | 38830 | 0.244 |
| | | | | 08-06-2018 | -1521 | Sold | 37309 | 0.234 |
| | | | | 15-06-2018 | 4339 | Buy | 41648 | 0.262 |
| | | | | 22-06-2018 | 25026 | Buy | 66674 | 0.419 |
| | | | | 30-06-2018 | -13160 | Sold | 53514 | 0.245 |
| | | | | 06-07-2018 | -2330 | Sold | 51184 | 0.235 |
| | | | | 13-07-2018 | -24184 | Sold | 27000 | 0.124 |
| | | | | 20-07-2018 | 15340 | Buy | 42340 | 0.194 |
| | | | | 27-07-2018 | -1155 | Sold | 41185 | 0.189 |
| | | | | 03-08-2018 | -185 | Sold | 41000 | 0.188 |
| | | | | 10-08-2018 | -20650 | Sold | 20350 | 0.093 |
| | | | | 17-08-2018 | 9900 | Buy | 30250 | 0.139 |
| | | | | 07-09-2018 | 12750 | Buy | 43000 | 0.197 |
| | | | | 14-09-2018 | 9000 | Buy | 52000 | 0.238 |
| | | | | 21-09-2018 | 6500 | Buy | 58500 | 0.268 |
| | | | | 28-09-2018 | 5650 | Buy | 64150 | 0.294 |
| | | | | 05-10-2018 | 80900 | Buy | 145050 | 0.665 |
| | | | | 16-11-2018 | -26550 | Sold | 118500 | 0.543 |
| | | | | 23-11-2018 | 22700 | Buy | 141200 | 0.647 |
| | | | | 14-12-2018 | -74150 | Sold | 67050 | 0.307 |
| | | | | 01-02-2019 | -8050 | Sold | 59000 | 0.270 |
| | -Closing Balance | 59000 | 0.270 | 31-03-2019 | | | | |
| 12 | HI FI TRADING PRIVATE LIMITED | 667159 | 4.189 | 01-04-2018 | | | | |
| | | | | 13-07-2018 | -525000 | Sold | 142159 | 0.651 |
| | | | | 02-11-2018 | -500 | Sold | 141659 | 0.649 |
| | | | | 16-11-2018 | 264 | Buy | 141923 | 0.650 |
| | | | | 23-11-2018 | 703 | Buy | 142626 | 0.654 |
| | | | | 28-12-2018 | -5000 | Sold | 137626 | 0.631 |
| | | | | 22-03-2019 | -90000 | Sold | 47626 | 0.218 |
| | | | | 29-03-2019 | -47626 | Sold | 0 | 0.000 |
| | -Closing Balance | 0 | 0.000 | 31-03-2019 | | | | |
| 13 | REFORM TRADING CO. PRIVATE LIMITED. | 222271 | 1.396 | 01-04-2018 | | | | |
| | | | | 04-04-2018 | -222271 | Sold | 0 | 0.000 |
| | -Closing Balance | 0 | 0.000 | 31-03-2019 | | | | |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No | Name | No. of Shares at the beginning /end of the Year | % of the Shares of the company | Date | Increasing/ Decreasing in shareholding | Reason | No. of shares | % of total Shares of the company |
|--------|-------------------------------|---|--------------------------------|------------|--|--------------|---------------|----------------------------------|
| 1 | SURESH KESHAVDEO BHAGERIA | 1107026 | 6.951 | 01-04-2018 | | | | |
| | | | | 20-04-2018 | 31305 | Buy | 1138331 | 7.148 |
| | | | | 19-05-2018 | 313016 | Amalgamation | 1451347 | 9.113 |
| | | | | 13-07-2018 | 525000 | Buy | 1976347 | 9.057 |
| | -Closing Balance | 1976347 | 9.057 | 31-03-2019 | | | | |
| 2 | VINOD KESHADEO BHAGERIA | 4018 | 0.025 | 01-04-2018 | - | - | - | - |
| | -Closing Balance | 4018 | 0.018 | 31-03-2019 | | | | |
| 3 | CHANDRAPRABHA SURESH BHAGERIA | 448686 | 2.817 | 01-04-2018 | | | | |
| | | | | 20-04-2018 | 1667 | Buy | 450353 | 2.828 |
| | -Closing Balance | 450353 | 2.064 | 31-03-2019 | | | | |
| 4 | VIKAS SURESH BHAGERIA | 783932 | 4.922 | 01-04-2018 | - | - | - | - |
| | -Closing Balance | 783932 | 3.592 | 31-03-2019 | | | | |
| 5 | OMPRAKASH ANANDILAL BUBNA | 12000 | 0.080 | 01-04-2018 | - | - | - | - |
| | -Closing Balance | 12000 | 0.055 | 31-03-2019 | | | | |

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

(₹ in Lakhs)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 8,351.37 | - | - | 8,351.37 |
| ii) Interest due but not paid | 21.72 | - | - | 21.72 |
| iii) Interest accrued but not due | 30.86 | - | - | 30.86 |
| Total (i+ii+iii) | 8,403.95 | - | - | 8,403.95 |
| Change in Indebtedness during the financial year | | | | |
| Additions | - | - | - | |
| Reduction | 6051.62 | - | - | 6,051.62 |
| Net Change | (6051.62) | - | - | (6,051.62) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 2,349.47 | - | - | 2,349.47 |
| ii) Interest due but not paid | 2.86 | - | - | 2.86 |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 2,352.33 | - | - | 2,352.33 |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

| Sr. No | Particulars of remuneration | Name of MD/WTD/Manger | | | | Total Amount |
|--------|--|-------------------------------|---------------------|------------------------|------------------------------|-----------------|
| | | Suresh Bhageria (Chairperson) | Vinod Bhageria (MD) | Vikas Bhageria (Jt MD) | Mrs. Chandra Prabha Bhageria | |
| 1 | Gross salary | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 36.00 | 10.53 | 66.00 | 12.00 | 124.53 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | - | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - | - | - |
| 2 | Stock option | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - |
| 4 | Commission | 117.00 | - | 54.00 | - | 171.00 |
| | as % of profit | - | - | - | - | - |
| | others (specify) | - | - | - | - | - |
| 5 | Others, please specify | - | - | - | - | - |
| | Total (A) | 153.00 | 10.53 | 120.00 | 12.00 | 295.53 |
| | Ceiling as per the Act | | | | | 1,073.23 |

B. Remuneration to other directors:

(₹ in Lakhs)

| Sr. No | Particulars of remuneration | Name of the Directors | | | | | | Total Amount |
|--------|---|-------------------------------|--------------------------------|--------------------|----------------------------|-------------------|------------------------|-----------------|
| | | Mr. Omprakash Anandilal Bubna | Mr. Pradeepkumar Shankar Dalvi | *Dr. Shyam Agrawal | Mr. Surendra Shriram Gupta | Mr. Sandeep Singh | Mr. Shashikant Tulsian | |
| 1 | Independent Directors | | | | | | | |
| | (a) Fee for attending board/ committee meetings | 2.50 | 2.50 | 1.25 | 1.50 | 1.75 | 2.25 | 11.75 |
| | (b) Commission | - | - | - | - | - | - | - |
| | (c) Others, please specify | - | - | - | - | - | - | - |
| | Total (1) | 2.50 | 2.50 | 1.25 | 1.50 | 1.75 | 2.25 | 11.75 |
| 2 | Other Non Executive Directors | | | | | | | |
| | (a) Fee for attending Board/ committee meetings | - | - | - | - | - | - | - |
| | (b) Commission | - | - | - | - | - | - | - |
| | (c) Others, please specify. | - | - | - | - | - | - | - |
| | Total (2) | - | - | - | - | - | - | - |
| | Total (B)=(1+2) | 2.50 | 2.50 | 1.25 | 1.50 | 1.75 | 2.25 | 11.75 |
| | Total Managerial Remuneration(A+B) | | | | | | | 307.28 |
| | Overall Cieling as per the Act. | | | | | | | 1,180.56 |

* Dr. Shyam Agarwal has resigned from the post of Independent Director w.e.f March 22, 2019

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

(₹ in Lakhs)

| Sr. No | Particulars of remuneration | Key Managerial Personnel | | Total |
|--------|--|---------------------------------------|---|-------------|
| | | Mr. Ketan Gaur (Company Secretary) | Mr. Rakesh L Kachhadiya (Chief Financial Officer) | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 3.99 | 8.51 | 12.5 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | - | - | - |
| | as % of profit | | | |
| | others, specify | | | |
| 5 | Others, please specify | - | - | - |
| | Total | 3.99 | 8.51 | 12.5 |

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/ NCLT/Court) | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|--|----------------------------|-----------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | NONE | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | | | |
| Punishment | | | NONE | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | NONE | | |
| Compounding | | | | | |

Registered Office:

1002, 10th Floor,
Tapiwala Centre,
Off S. V. Road,
Goregaon [West],
Mumbai - 400 062.
Date: May 29, 2019.

For and on behalf of the Board
BHAGERIA INDUSTRIES LIMITED

SURESH BHAGERIA
CHAIRPERSON
(DIN: 00540285)

Form No.MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended 31-03-2019

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

To,
The Members,
BHAGERIA INDUSTRIES LIMITED
Office No. 1002, 10th Floor, Topiwala Centre,
Off S.V. Road, Goregaon (West), Mumbai – 400062.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BHAGERIA INDUSTRIES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **BHAGERIA INDUSTRIES LIMITED** 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 Companies Ordinance, 2018 (to the extent notified).
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- iv. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- v. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable;
- vi. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - e) 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;
 - f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; [Not applicable during the period of audit]
 - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008; [Not applicable during the period of audit]
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable during the period of audit]
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not applicable during the period of audit]

vii. We have also examined the compliance with the applicable clauses of the Secretarial Standards I and II 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.

We report that the Company operates in Chemicals and Solar Power, apart from Environment, Pollution and safety related compliances, no specific Acts were applicable to the Company.

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

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.
- Adequate notices are given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of Minutes.
- That there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that based on the information provided and the representation made by the Chief Financial Officer / Company Secretary, taken on record by the Board of Directors of the Company,

in our opinion, adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws general laws, rules, regulations and guidelines.

As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period there were no events/ actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, except as stated below :

- The Company has allotted 59,42,530 equity shares of face value ₹5/- each, fully paid-up to the equity shareholders of Nipur Chemicals Limited as per the share exchange ratio in terms of the Scheme of Amalgamation i.e. 11 (eleven) equity shares of Bhageria Industries Limited of ₹5/- each fully paid-up for every 10 equity shares of Nipur Chemical Limited of ₹10/- each fully paid-up in pursuance to the Scheme approved by The Hon'ble National Company Law Tribunal, Mumbai Bench vide its Order dated April 5, 2018.
- The Board of Directors at their meeting held on January 21, 2019 have approved payment of interim dividend of ₹3.75/- per Equity Share (@ 75 %) on 2,18,22,090 Equity Shares of the Company of face value of ₹5/- each fully paid-up.

For GMJ & ASSOCIATES

Company Secretaries

[SONIA CHETTIAR]

PARTNER

PLACE: MUMBAI

DATE: MAY 29, 2019.

ACS: 27582 COP: 10130

Note: This report is to be read with our letter of even date that is annexed as Annexure A and forms an integral part of this report.

ANNEXURE A

To,
The Members,
BHAGERIA INDUSTRIES LIMITED
Office No. 1002, 10th Floor,
Topiwala Centre, Off S.V. Road,
Goregaon (West),
Mumbai – 400062.

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we 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 and regulations, standards is the responsibility of the management. Our 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 or effectiveness with which the management has conducted the affairs of the Company.

For GMJ & ASSOCIATES
Company Secretaries

[SONIA CHETTIAR]
PARTNER

PLACE: MUMBAI
DATE: MAY 29, 2019.

ACS: 27582 COP: 10130

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo:

Information as per section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2019 is given here below and forms a part of the Directors' Report.

A. Conservation Of Energy:

(i) The steps taken or impact on conservation of energy;

The company has made concrete efforts for enhancement in the capacity utilization, cost competitiveness and quality through systematic process monitoring and adherence to technological norms. Sophisticated instruments were used for regulation and adjustment of parameters. Efforts were also made for up gradation of the quality of plant operation. Utility are being combined besides waste recovery and for effective energy conservation.

(ii) The steps taken by the company for utilising alternate sources of energy;

The company has saved considerably in the cost of power. The company is constantly exploring avenues for cost saving as an on-going process. To utilise the alternate sources of Energy Company has setup a SOLAR POWER Plant.

(iii) The capital investment on energy conservation equipment's;

Studies to reduce energy consumption of existing unit are on and suitable investment will continue to be made in these areas.

B. Technology Absorption:

(i) the efforts made towards technology absorption during the year under review are: NOT APPLICABLE

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution: - NOT APPLICABLE

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- NOT APPLICABLE

(iv) During the company has incurred R&D Expenditure of ₹ NIL Lakhs.

C. Foreign Exchange Earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

| | | (₹ in Lakhs) | |
|--------|-------------------------|--------------|---------|
| Sr. No | Particular | 2018-19 | 2017-18 |
| i. | Foreign Exchange outgo | 3686.38 | 2923.81 |
| ii. | Foreign Exchange earned | 14645.89 | 9310.37 |

For and on behalf of the Board
BHAGERIA INDUSTRIES LIMITED

Registered Office:

1002, 10th Floor, Topiwala Centre, Off S. V. Road,
Goregaon [West], Mumbai - 400 062.

Date: May 29, 2019.

SURESH BHAGERIA
CHAIRPERSON
(DIN: 00540285)

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

1. The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2018-19

| Director's Name | Ratio to median remuneration |
|-----------------------------|------------------------------|
| Mr. Suresh Bhageria | 50.58 |
| Mr. Vinod Bhageria | 3.48 |
| Mr. Vikas Bhageria | 39.67 |
| Mrs. Chandrabhabha Bhageria | 3.97 |
| Mr. O.P. Bubna | 0.83 |
| Mr. P.S.Dalvi | 0.83 |
| Dr. Shyam Agrawal* | 0.41 |
| Mr. S S Gupta | 0.50 |
| Mr. Sandeep Singh | 0.58 |
| Mr. S.P. Tulsian | 0.74 |

* Dr Shyam Agarwal has resigned from the post of Independent Director w.e.f. March 22, 2019

2. The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the financial year 2018-19 compared to 2017-18 means part of the year.

| Director's/CFO/CEO/CS/Mgr name | % increase/ decrease in remuneration |
|--|--------------------------------------|
| Mr. Suresh Bhageria (Chairman (Executive)) | 16% |
| Mr. Vinod Bhageria (M.D. (Executive)) | - |
| Mr. Vikas Bhageria (Joint M.D. (Executive)) | 10% |
| Mr. O.P. Bubna (Independent & Non-Executive) | 100% |
| Mr. P.S.Dalvi (Independent & Non-Executive) | 233% |
| Dr. Shyam Agrawal (Independent & Non-Executive) | 67% |
| Mr. S S Gupta (Independent & Non-Executive) | 50% |
| Mr. Sandeep Singh (Independent & Non-Executive) | 75% |
| Mrs. Chandrabhabha Bhageria (Promoter & Women Executive) | (33%) |
| Mr. S.P. Tulsian (Independent & Non-Executive) | 125% |
| Mr. Mukund Manohar Chitale (Additional (Independent) & Non-Executive)* | Not Applicable |
| Mr. Ketan Gaur (Company Secretary) ** | Not Applicable |
| Mr. Rakesh L Kachhadiya (Chief Financial Officer) | 11% |

* Mr. Mukund Manohar Chitale (Additional(Independent) & Non-Executive) appointed on March 25, 2019.

** Mr. Ketan Gaur has been appointed as a Company Secretary and Compliance officer w.e.f. January 25, 2018.

3. Percentage increase in the median remuneration of employees in the financial year 2018-19 compared to 2017-18 :- 0.16%
4. Number of permanent employees on the rolls of the company :- 255 Employees as on 31-03-2019
5. Comparison of average percentile increase in salary of employees other than the managerial personnel and the percentile increase in the managerial remuneration:

| Particular | % change in remuneration |
|---|--------------------------|
| Average increase in salary of employees (other than managerial personnel) | 12.40 |
| Average increase in remuneration of managerial personnel | 9.68 |

Note - For Computing average increase in remuneration, employees working for full financial year considered to make the figures comparable.

6. Affirmation:

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees is as per the Remuneration Policy of the Company.

Statement of Particulars of Employees Pursuant to Provisions of Section 197(12) of the Companies Act 2013 read with the Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31-03-2019

a) Employed throughout the financial year and was in receipt of remuneration for the year in aggregate of not less than ₹1,02,00,000/-

| Name | Age | Designation | Qualification | Experience | Nature of Employment | Remuneration (₹ In Lakhs) | Date of Commencement of employment | Last employment/ Designation | % of Shareholding | Relatives |
|-----------------|-----|-----------------------------|---------------|-------------------|----------------------|---------------------------|------------------------------------|---|-------------------|--|
| Suresh Bhageria | 64 | Chairman | B.Com | More than 33 Year | Permanent | 153.00 | 21/12/1994 | Gujarat Seal Industries Pvt. Ltd (Director) | 9.06% | Mr. Vinod Bhageria, Mr. Vikas Bhageria and Mrs. Chandrabhabha Bhageria |
| Vikas Bhageria | 40 | Wholetime Director (Jt. MD) | B.Com,M.C.A. | More than 13 Year | Permanent | 120.00 | 01/04/2015 | Achyuta Miners Pvt Ltd (Director) | 3.59% | Mr. Suresh Bhageria and Mrs. Chandrabhabha Bhageria |

b) Employed for a part of the financial year and was in receipt of remuneration at a rate in aggregate not less than ₹8,50,000/- per month : - NIL

c) Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company-N. A.

REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance pursuant to Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and forming Part of the Directors' Report for the year ended March 31, 2019.

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

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, integrity transparency, and fairness in all its transactions in the widest sense and meets its stakeholder's aspirations and social expectations. Good Corporate Governance practices stem from the culture and mind-set of the organization and at Bhageria Industries Limited [BIL], we are committed to do business in an efficient, responsible, honest and ethical manner and to meet the aspirations of all our stakeholders.

The Corporate Governance structure specifies the distribution of rights, responsibilities and powers among different participants in the corporation. All strategic decisions regarding investment, diversification, major decisions regarding procurement, commercial and finance are forwarded ahead after approval of the Board.

Strong Governance has indeed helped BIL to deliver wealth to its shareholders in the form of uninterrupted dividends.

2. Board of Directors:

Composition of the Board

As on March 31, 2019 the structure of the Board of the Company maintained an optimum mix of Executive and Non-Executive Independent Directors and the same is in conformity with the Listing Regulations. The Board's current strength is 10 members, who are eminent personalities from various walks of life having rich experience in the field of marketing, finance, accounts, taxation, industry, business and management.

Besides the Chairperson, who is an Executive Promoter Director, the Board comprises of 2 Executive Promoter Directors, 1 Woman Promoter Executive Director and 6 Non-Executive, Independent Directors.

Table 1: Composition of the Board of Directors as on March 31, 2019:

The details of composition of the Board, category, attendance of Directors at Board Meetings during the financial year and last Annual General Meeting, number of other Directorships and other Committee Memberships, Name of other listed entities (whose equity or debt securities are listed) where the Directors of the Company are Director and the category of their directorship are given below:

| Sr. No. | Name of Directors | Category | No. of Board Meeting attended during the year 2018-2019 | Attendance at last AGM held on July 21, 2018 | *No. of other Directorships of Companies held as on March 31, 2019 | | No. of Membership of Outside Committees held as on March 31, 2019 | | Name of other listed entities (whose equity or debt securities are listed) where the directors of the Company are director and the category of their Directorship | |
|---------|---------------------|-----------------------------|---|--|--|---------|---|----------|---|----------|
| | | | | | Public | Private | Member | Chairman | Other Listed Entities | Category |
| 1. | Mr. Suresh Bhageria | Executive/Chairperson | 5 | Yes | 1 | 2 | --- | --- | NIL | NIL |
| 2. | Mr. Vinod Bhageria | Managing Director/Executive | 4 | Yes | --- | 1 | --- | --- | NIL | NIL |
| 3. | Mr. Vikas Bhageria | Promoter Executive | 4 | Yes | --- | 6 | --- | --- | NIL | NIL |

| Sr. No. | Name of Directors | Category | No. of Board Meeting attended during the year 2018-2019 | Attendance at last AGM held on July 21, 2018 | *No. of other Directorships of Companies held as on March 31, 2019 | | No. of Membership of Outside Committees held as on March 31, 2019 | | Name of other listed entities (whose equity or debt securities are listed) where the directors of the Company are director and the category of their Directorship | |
|---------|--------------------------------|---------------------------|---|--|--|---------|---|----------|---|--|
| | | | | | Public | Private | Member | Chairman | Other Listed Entities | Category |
| 4. | Mrs. Chandrababha S. Bhageria | Promoter Executive | 4 | Yes | --- | 2 | --- | --- | NIL | NIL |
| 5. | Mr. Pradeepkumar Shankar Dalvi | Independent Non-Executive | 6 | Yes | --- | --- | --- | --- | NIL | NIL |
| 6. | Mr. Surendra Shriram Gupta | Independent Non-Executive | 4 | No | 1 | --- | 2 | 2 | Elegant Floriculture & Agrotech (India) Limited | Non Executive Independent Director |
| 7. | Mr. Sandeep Kumar Singh | Independent Non-Executive | 4 | Yes | 3 | --- | 3 | --- | 1. Solid Containers Limited 2. The Byke Hospitality Limited 3. Navkar Corporation Limited | Non Executive Independent Director Non Executive Independent Director Non Executive Independent Director |
| 8. | Mr. Shashikant Tulsian | Independent Non-Executive | 5 | Yes | --- | 3 | --- | --- | NIL | NIL |
| 9. | Mr. Omprakash Anandilal Bubna | Independent Non-Executive | 6 | Yes | --- | --- | --- | --- | NIL | NIL |
| 10. | # Mr. Mukund Manohar Chitale | Independent Non-Executive | --- | No | 8 | 1 | 8 | 4 | 1. Larsen & Toubro Infotech Limited 2. Larsen and Toubro Limited 3. Essel Propack Limited 4. Atul Limited 5. Lodha Developers Limited | Non Executive Independent Director Non Executive Independent Director Non Executive Independent Director Non Executive Independent Director Non Executive Independent Director |

Note:

1. # Mr. Mukund Manohar Chitale was appointed as an Additional (Independent) Director w.e.f March 25, 2019.
2. Dr. Shyam Agarwal, Independent Director resigned from the Company w.e.f. March 22, 2019.
3. * No of other Directorships of Companies excludes foreign companies and Section 8 companies.

Relationships between Directors inter-se

Mr. Suresh Bhageria is related to Mrs. Chandraprabha Bhageria as spouse & father of Mr. Vikas Bhageria and brother of Mr. Vinod Bhageria, with such inter-se relation between them. None of the other Directors except as aforementioned are related to each other.

Shareholding of Non-Executive Independent Directors

None of the Non-Executive Independent Directors hold Equity Shares of the Company in their own name except Mr. O. P. Bubna who is holding 12,000 Equity Shares.

Number of Board Meetings

The Board meets at regular intervals to discuss and decide on various issues, including strategy related matters pertaining to the business of the Company. The tentative calendar of Board Meetings is circulated to the Directors in advance to facilitate them and to ensure their active participation at the Meetings of the Company.

Agenda papers containing all necessary information / documents are made available to the Board in advance to enable the Board to take informed decisions and to discharge its functions effectively. Where it is not practicable to attach the relevant information as a part of agenda papers, the same are tabled at the Meeting of the Board.

During the year 2018-19, the Board met 6 (Six) times. Details of these Meetings are as follows:-

| Sr. No. | Date of Board Meeting |
|---------|-----------------------|
| 1. | 04/05/2018 |
| 2. | 19/05/2018 |
| 3. | 21/07/2018 |
| 4. | 20/10/2018 |
| 5. | 21/01/2019 |
| 6. | 25/03/2019 |

The Company has held at least one Board meeting in every three months. The maximum gap between any two meetings was less than 120 days, as stipulated in Regulation 17 (2) of the Listing Regulations.

As mandated by Regulation 26 of Listing Regulations, none of the Directors are members of more than 10 Board level committees, nor are they Chairpersons of more than 5 committees in which they are members of such committees.

Minimum Information being placed before the Board of Directors on occurrence of specific events

The Board has complete access to all information with the Company.

All Board meetings are governed by a structured agenda which is backed by comprehensive background information. Inter-alia, the

following information is regularly provided to the Board, as part of the agenda papers well in advance of the Board meetings, or is tabled in the course of the Board meeting.

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the Board.
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Any transactions that involves substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

The Board has an effective post meeting follow up procedure. The

Action taken report on the decisions taken in a meeting is placed at the immediately succeeding meeting for information of the Board.

The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the Company, prepared by the Company, as well as steps taken by the Company to rectify instances of non-compliance.

The performance evaluation of the Independent Directors has been carried out by the entire Board of Directors to its satisfaction. In the above evaluation process the Directors, who were subjected to evaluation did not participate.

Obligations of Independent Directors:

As mandated by Regulation 25 of the Listing Regulations, the Independent Directors on the Company's Board held a meeting on January 21, 2019, without the presence of Non-Independent Directors and Members of the management to:

(a) review the performance of non-independent directors and the

board of directors as a whole;

- (b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

Accordingly, the performance evaluation of the Chairperson and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

Familiarisation Programme for Independent Directors:

The details of familiarization programme for Independent Directors is disclosed on the website of the Company i.e. www.bhageriagroup.com.

| Name of Director | List of core Skills/Expertise/Competencies identified by the Board of Directors as required in the context our Business and sector to function effectively and actually available with the Board. | | | | | |
|--------------------------------|---|-----------|------------------------------------|-------|----------------|-------------------------|
| | Planning | Technical | Finance/ Accounts / Taxation | Legal | Administration | Marketing/ publicity |
| Mr. Suresh Bhageria | ✓ | | | | ✓ | ✓ |
| Mr. Vinod Bhageria | ✓ | | ✓ | | ✓ | |
| Mr. Vikas Bhageria | ✓ | ✓ | | | ✓ | ✓ |
| Mrs. Chandrababha Bhageria | | | | | ✓ | |
| Mr. Shashikant Tulsian | | | ✓ | ✓ | | |
| Mr. Omprakash Anandilal Bubna | | | ✓ | | | |
| Mr. Pradeepkumar Shankar Dalvi | | ✓ | | | | |
| Mr. Sandeep Singh | | | | | | ✓ |
| Mr. Mukund Manohar Chitale | | | ✓ | ✓ | | |
| Mr. Surendra Shriram Gupta | | | ✓ | ✓ | | |

Confirmation of Board for the independence of Independent Directors:

In the Opinion of Board, the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the Management.

Detailed reasons for the resignation of Independent Director

During the year 2018-19, Dr. Shyam Chandrabhan Agarwal has resigned from the post of Independent Director of the Company w.e.f. March 22, 2019 due to their pre-occupation and personal

reasons and confirmed by Dr. Shyam Agarwal that there are no other material reasons other than those provided.

Committees of Board:

To focus effectively on the issues and ensure expedient resolution of the diverse matters, the Board has constituted a set of Committees of Directors with specific terms of reference / scope. The committee operates as empowered agents of the Board. The inputs and details required for the decision is provided by the operating managers. The Minutes of the Meeting of all Committees of the Board are placed before the Board for discussions / noting.

Details of the Committees of the Board and other related information are as follows:

3. Audit Committee:

The Company has a qualified and independent Audit Committee comprising of three Directors. The broad terms of reference of the Audit Committee are in consonance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. All the members have financial and accounting knowledge.

The Committee acts as a link between the Management, the Statutory Auditors and the Board of Directors of the Company. The Committee focuses its attention on monitoring the financial reporting system within the Company, considering Quarterly & Annual Financial Results of the Company and submitting its observations to the Board of Directors before its adoption by the Board, review of the internal audit report & internal control system, audit methodology and process, major accounting policies and practice, compliance with accounting standards. Committee also reviews the legal compliance reporting system.

Representative of the statutory auditors is always invited to attend these meetings.

The terms of reference of the Audit Committee are as under:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Modified opinions in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- 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;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit functions;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or

discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management, if any;
- Management letters / letters of internal control weaknesses issued by the statutory auditors, if any;
- Internal audit reports relating to internal control weaknesses, if any;
- Statement of deviations, if any; in terms of Regulation 32(1) & 32(7) of the Listing Regulations;

Head of the Finance and Accounts Department, representative of the Statutory Auditors and other executives as are considered necessary, attend meetings of the Audit Committee.

The Committee met 5 times during the year on 04/05/2018, 21/07/2018, 20/10/2018, 21/01/2019 and 25/03/2019.

Attendance record at the meetings of the Audit Committee of Directors during Financial Year 2018–2019:

The names of members of committee and their attendance are as follows:

| Name of the Members | Status | No. of Meetings Attended |
|-------------------------------------|-------------|--------------------------|
| *Mr. Shashikant Tulsian | Chairperson | 1 |
| **Mr. Omprakash Anandilal Bubna | Member | 5 |
| ***Mr. Vinod Bhageria | Member | 0 |
| ****Dr. Shyam Agarwal | Member | 3 |
| *****Mr. Sandeep Singh | Member | 3 |
| *****Mr. Pradeepkumar Shankar Dalvi | Member | 1 |

*Mr. Shashikant Tulsian appointed as chairperson of the Committee on January 21, 2019.

** Mr. Omprakash Anandilal Bubna ceased to be a chairperson and appointed as a member of the Committee on January 21, 2019.

*** Mr. Vinod Bhageria appointed as a member of the Committee on January 21, 2019.

**** Dr. Shyam Agarwal ceased to be a member of the Committee on January 21, 2019.

***** Mr. Sandeep Singh ceased to be a member of the Committee on January 21, 2019.

***** Mr. Pradeepkumar Shankar Dalvi ceased to be a member of the Committee on May 04, 2018.

During the year 2018-19, the Audit Committee was reconstituted on May 04, 2018 and January 21, 2019.

Mr. Omprakash Anandilal Bubna, Chairperson of the Audit Committee attended the Annual General Meeting held on July 21, 2018 to address the shareholder's queries.

Mr. Ketan Gaur acts as a Secretary of the Committee.

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

4. Nomination and Remuneration Committee:

The Company is having "Nomination and Remuneration Committee" constituted in accordance with Section 178 of Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Committee comprises of Mr. Omprakash Anandilal Bubna, Independent Director as Chairperson, Mr. Surendra Shriram Gupta and Mr. Sandeep Singh as Members. All matters relating to review and approval of compensation payable to the executive and non-executive directors are considered by the Nomination and Remuneration Committee and necessary recommendations are made by the Committee to the Board for the approval within the overall limits approved by the Members.

The Committee met 3 times during the year on 04/05/2018, 21/01/2019 and 25/03/2019.

During the year 2018-19, the attendance of the Nomination and Remuneration Committee is given below:

| Name of the Members | Status | No. of Meetings Attended |
|-------------------------------------|-------------|--------------------------|
| *Mr. Omprakash Anandilal Bubna | Chairperson | 3 |
| **Mr. Surendra Shriram Gupta | Member | 1 |
| ***Mr. Sandeep Singh | Member | 1 |
| ****Dr. Shyam Agarwal | Member | 1 |
| *****Mr. Pradeepkumar Shankar Dalvi | Member | 1 |

*Mr. Omprakash Anandilal Bubna appointed on January 21, 2019.

** Mr. Surendra Shriram Gupta appointed as a member of the Committee on January 21, 2019.

*** Mr. Sandeep Singh appointed as a member of the Committee on January 21, 2019.

**** Dr. Shyam Agarwal ceased to be a member of the Committee on January 21, 2019.

***** Mr. Pradeepkumar Shankar Dalvi ceased to be a member of the Committee on May 04, 2018.

During the year 2018-19, the Nomination & Remuneration Committee was reconstituted on May 04, 2018 and January 21, 2019.

Terms of Reference of the Nomination & Remuneration Committee, inter-alia are as follows:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on the Board diversity.
- Identify 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 their appointment and removal. Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice.
- Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable.
- To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/Committee thereof, and, any other benefits such as Commission, if any, payable to the Non-Executive Directors.
- Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.
- To recommend to the board, all remuneration, in whatever form, payable to senior management.

Policy Relating To Remuneration of Directors, KMP & Senior Management Personnel:

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No director/KMP/ other employee is involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage to arrive at a competitive quantum of remuneration.

- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.

- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.

- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.

- Following criteria are also to be considered: -

- Responsibilities and duties ;
- Time & efforts devoted;
- Value addition;
- Profitability of the Company & growth of its business;
- Analyzing each and every position and skills for fixing the remuneration yardstick ;
- Standards for certain functions where there is a scarcity of qualified resources.
- Ensuring tax efficient remuneration structures.
- Ensuring that remuneration structure is simple and that the Cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
- Other criteria as may be applicable.

- Consistent application of remuneration parameters across the organisation.

- Provisions of law with regard making payment of remuneration, as may be applicable, are complied.

- Whenever, there is any deviation from the Policy, the justification / reasons should also be indicated / disclosed adequately.

Performance evaluation criteria for independent directors

The performance of Independent Directors was evaluated on the following criteria:

- Details of professional qualifications and prior experience of the independent Director, especially the experience relevant to the Company.
- Knowledge Competency and Initiative in various areas;
- Ability to understand and fulfilment of functions.
- Commitment and Contribution of the Independent Directors.
- Availability/attendance at Board Meetings.
- Independence, Integrity and Judgement of the Independent Directors

5. Remuneration of Directors:

The Company pays remuneration to its Chairperson, Managing Director & Whole-time Directors by way of Salary, perquisites and allowances. Salary is paid within the range as approved by the Shareholders. The Board approves all the revisions in

salary, perquisites and allowances subject to the overall ceiling prescribed by Section 197 and 198 of the Companies Act, 2013. The Non-Executive Independent Directors have not been paid any remuneration except sitting fees during the financial year 2018-19.

Given below are the details of remuneration paid to Directors during the financial year 2018-19:

(₹ In Lakhs)

| Name of Director | Designation | Salary | Sitting fees | Commission | Total Remuneration |
|---------------------------------|------------------------------------|--------|--------------|------------|--------------------|
| Mr. Suresh Bhageria | Chairman (Executive) | 36.00 | - | 117.00 | 153.00 |
| Mr Vinod Bhageria | Managing Director | 10.53 | - | - | 10.53 |
| Mr. Vikas Bhageria | Jt. Managing Director (WTD) | 66.00 | - | 54.00 | 120.00 |
| Mrs Chandrababha Bhageria | Executive Director | 12.00 | - | - | 12.00 |
| Mr. Omprakash Anandilal Bubna | Non-Executive Independent Director | - | 2.5 | - | 2.5 |
| Mr. Pradeepkumar Shankar. Dalvi | Non-Executive Independent Director | - | 2.5 | - | 2.5 |
| Mr. Surendra Shriram Gupta | Non-Executive Independent Director | - | 1.50 | - | 1.50 |
| Mr. Sandeep Singh | Non-Executive Independent Director | - | 1.75 | - | 1.75 |
| Mr. Shashikant Tulsian | Non-Executive Independent Director | - | 2.25 | - | 2.25 |
| Dr. Shyam Agarwal | Non-Executive Independent Director | - | 1.25 | - | 1.25 |

No single non-executive director is paid remuneration exceeding fifty percent of the total annual remuneration paid to all the non-executive directors during the financial year 2018-19.

The Company does not have any stock option plans and hence such instrument does not form part of the remuneration package payable to any Executive Director and / or Non-Executive Director.

During the period under review, none of the directors were paid any performance linked incentive.

6. Stakeholders Relationship Committee:

The Company is having a 'Stakeholders Relationship Committee' in accordance with the provisions of section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Committee shall specifically look into the mechanism of redressal of grievances of shareholders & other security holders pertaining to transfer of shares, non- receipt of declared dividends, non-receipt of Annual Report, issues concerning dematerialization etc.

The Stakeholders Relationship Committee of the Company comprises of three Directors and Mr. Ketan Gaur is the Company Secretary & Compliance Officer of the Company.

The Company has designated the e-mail ID info@bhageriagroup.com exclusively for the purpose of registering complaint by investors electronically. This e-mail ID is displayed on the Company's website i.e. www.bhageriagroup.com

The Committee met 4 times during the year on 04/05/2018,

21/07/2018, 20/10/2018 and 21/01/2019.

During the year 2018-19, the attendance of the Stakeholders Committee is given below:

| Name of the Members | Status | No. of Meetings Attended |
|--------------------------------|-------------|--------------------------|
| *Mr. Omprakash Anandilal Bubna | Chairperson | 4 |
| **Mr. Surendra Shriram Gupta | Member | 0 |
| ***Mr. Suresh Bhageria | Member | 0 |
| ****Mr. Sandeep Singh | Member | 3 |
| *****Dr. Shyam Agarwal | Member | 3 |
| *****Mr. Pradeep Shankar Dalvi | Member | 1 |

*Mr. Omprakash Anandilal Bubna appointed on January 21, 2019.

**Mr. Surendra Shriram Gupta appointed as a member of the Committee on January 21, 2019.

*** Mr. Suresh Bhageria appointed as a member of the Committee on January 21, 2019.

**** Mr. Sandeep Singh ceased to be a member of the Committee on January 21, 2019.

***** Dr Shyam Agarwal ceased to be a member of the Committee on January 21, 2019.

***** Mr. Pradeepkumar Shankar Dalvi ceasaed to be a member of the Committee on May 04, 2018.

During the year 2018-19, the Board of Directors have reconstituted the Stakeholders Relationship Committee on May 04, 2018 and January 21, 2019.

The following table shows the nature of complaints received from the shareholders during the year 2018-19.

| Nature of complaints | No. of complaints received / resolved during the year 2018-19 |
|---|---|
| Non receipt of Shares / Dividend/Bonus/Rights | 9 |
| Non receipt of Annual Report | 1 |
| Total | 10 |

There were no complaints pending as on March 31, 2019.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company is having a 'Corporate Social Responsibility Committee' in accordance with the provisions of section 135 of the Companies Act, 2013. The Committee meets as and when required. The Committee recommends to the Board activities, programs, projects to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013. The activities / programmes undertaken by the Company and the amount spent by the Company are given in the Annexure to the Directors Report. This policy can be accessed from the Company's website www.bhageriagroup.com

The Committee met once during the year on May 04, 2018.

The Composition of CSR committee are as under:

| Name of The Member | Designation |
|-----------------------------|-------------|
| Mr. Surendra Shriram Gupta | Chairperson |
| Mrs. Chandraprabha Bhageria | Member |
| Mr. Vinod Bhageria | Member |

During the year 2018-19, The Board of Directors have reconstituted the Corporate Social Responsibility Committee on May 04, 2018 and January 21, 2019.

Other Policies Mandated Under SEBI (LODR) Regulations, 2015:

- Archival Policy- In Compliance with Regulation 30(8) of SEBI (LODR) Regulations, 2015, the Company shall disclose on its website all such events, information which has been disclosed to the Stock Exchange(s) under Regulations 30. Such disclosures shall be posted on website of the Company for minimum five years and thereafter determine further action as per the archival policy of the Company. This policy can be accessed from the Company's website -www.bhageriagroup.com.
- Policy for Preservation of Documents-In Compliance with Regulation 9 of SEBI (LODR) Regulations, 2015, The Board of Directors has adopted policy on preservation of Documents. This policy for preservation of Documents can be accessed from the Company's website - www.bhageriagroup.com.
- Policy for Determining Materiality of Events- In Compliance with Regulations 30 of SEBI (LODR) Regulations, 2015, The Board of Directors has adopted a policy on Determining Materiality of Events or information. The objective of this policy is to ensure timely and adequate disclosure of events or Information. This Policy can be accessed from the Company's website -www.bhageriagroup.com.
- Policy on Board Diversity-The Company recognises and embraces the benefit of having a diverse Board of Directors and views increasing diversity at the Board level as an essential element in maintaining competitive advantage in the Business in which it operates. This Policy can be accessed from the Company's website - www.bhageriagroup.com.

7. GENERAL BODY MEETINGS:

(a) Location and time, where last 3 AGM's held:

The last three Annual General Meetings were held as under:

| Financial Year | Date | Time | Venue |
|----------------|------------|------------|---|
| 31.03.2016 | 13.08.2016 | 11:00 A.M. | Lalit Restaurant Hall, Goregaon [W], Mumbai – 400 062 |
| 31.03.2017 | 02.12.2017 | 11:30 A.M. | Maher Banquet, Topiwala Centre Mall 2nd Floor off S. V. Road Near Rly Stn., Goregaon (West), Mumbai – 400062. |
| 31.03.2018 | 21.07.2018 | 11:30 A.M. | Maher Banquet, Topiwala Centre Mall 2nd Floor off S. V. Road Near Rly Stn., Goregaon (West), Mumbai – 400062. |

(b) Whether any Special Resolution passed in previous 3 AGM's:

| Date of AGM | Description of Special Resolution |
|-------------|--|
| 13.08.2016 | No Special Resolution was passed |
| 02.12.2017 | (i) Special Resolution under section 196, 197, 203 for the Appointment of Mrs. Chandraprabha Bhageria as Whole-Time Director (ii) Special Resolution under section 180(1)(c) of the Companies Act, 2013, for borrowing Cash Credit facilities. (iii) Special Resolution under section 180(1)(a) of the Companies Act, 2013 to create such charges, mortgages and hypothecations. |
| 21.07.2018 | (i) Special Resolution under section 196, 197, 203 for the re-appointment of Mr. Suresh Bhageria as Executive chairperson (Whole-Time Director) of the Company. (ii) Special Resolution under section 196, 197, 203 for the re-appointment of Mr. Vinod Bhageria as Managing Director of the Company. (iii) Special Resolution under section 196, 197, 203 for the re-appointment of Mr. Vikas Bhageria as Jt. Managing Director (Whole-Time Director) of the Company. (iv) Special Resolution under section 149,150,152 for the re-appointment of Mr. Sandeep Kumar Singh, Mr. Omprakash Anandilal Bubna, Dr. Shyam Agarwal, Mr. Pradipkumar Shankar Dalvi, Mr. Surendra Shriram Gupta as Independent Director of the Company. |

(c) During the Year, no special resolution was passed through postal ballot. There is no special resolution proposed to be conducted through postal ballot.

(e) whether any special resolution is proposed to be conducted through postal ballot: Not Applicable.

8. MEANS OF COMMUNICATION:

- Quarterly results: Results are submitted to Stock Exchanges electronically as provided by the respective exchange & published in newspapers and uploaded on the Company's website.
- Newspapers wherein results normally published: Business Standard & Tarun Bharat.
- Any website where displayed : www.bhageriagroup.com
- Whether it also displays official news releases: official press/ media release was made on July 21, 2018 for the Quarter ended June 30, 2018 and October 21, 2018 for the Quarter ended September 30, 2018.
- The presentations made to institutional investors or to the analysts: Investor presentations were made on August 08, 2018 for the Quarter ended June 30, 2018 on October 21, 2018 for the Quarter ended September 30, 2018 and on January 31, 2019 for the quarter ended December 31, 2018 during the year.

9. GENERAL SHAREHOLDERS INFORMATION:

a) Annual General Meeting - Date, Time and Venue

| | |
|-------------------------------|---|
| Annual General Meeting | 30th Annual General Meeting. |
| Day & Date | Saturday, August 31, 2019 |
| Time | 11.30 a.m. |
| Venue | Maher Banquet, Topiwala Centre Mall, 2nd Floor, Off S.V. Road, Near Rly. Stn., Goregaon (West) ,Mumbai-400062 |

b) Financial Year: 2019 -20 (Tentative)

- * Financial reporting for the quarter ended June 30, 2019: 2nd week of August, 2019.

* Financial reporting for the quarter ended September 30, 2019: 2nd week of November, 2019.

* Financial reporting for the quarter ended December 31, 2019: 2nd week of February, 2020.

* Financial reporting for the Year ended March 31, 2020: Audited Results by end of May, 2020.

c) Dividend Payment Date:

The Final Dividend, if approved, shall be paid/credited on and before September 30, 2019.

d) Listing On Stock Exchanges:

The Company's Shares are listed on:

• BSE Limited

Listing Department
P.J. Towers, 1st Floor, Dalal Street, Fort, Mumbai – 400 001

• National Stock Exchange of India Limited

Exchange Plaza,
Bandra Kurla Complex, Bandra (E), Mumbai- 400 051

Payment of Listing Fees: The annual listing fees for the year 2019-20 has been paid.

d) Stock Code:

BSE Limited, Mumbai

| | |
|-------------|-----------------------------|
| Scrip Name: | BHAGERIA INDUSTRIES LIMITED |
| Scrip Code: | 530803. |

NSE Limited, Mumbai

| | |
|-------------|----------|
| Scrip Name: | BHAGERIA |
|-------------|----------|

| | |
|--------------------------|----------------|
| Depository Connectivity: | NSDL and CDSL. |
|--------------------------|----------------|

| | |
|--------------------------------------|--------------|
| ISIN No. for the Company's Security: | INE354C01027 |
|--------------------------------------|--------------|

f) Market price data :

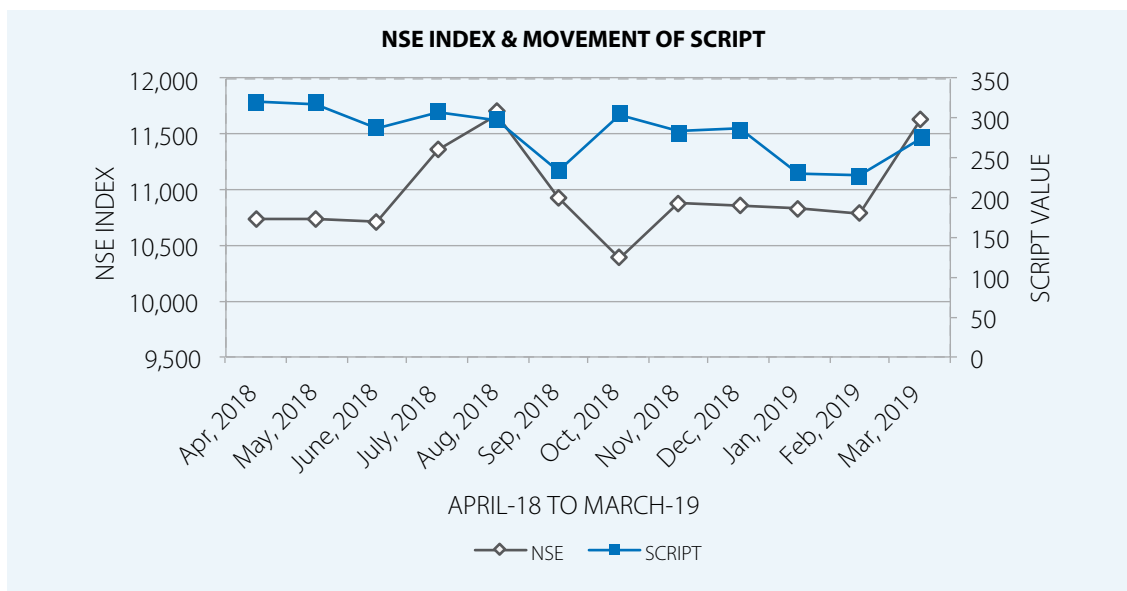
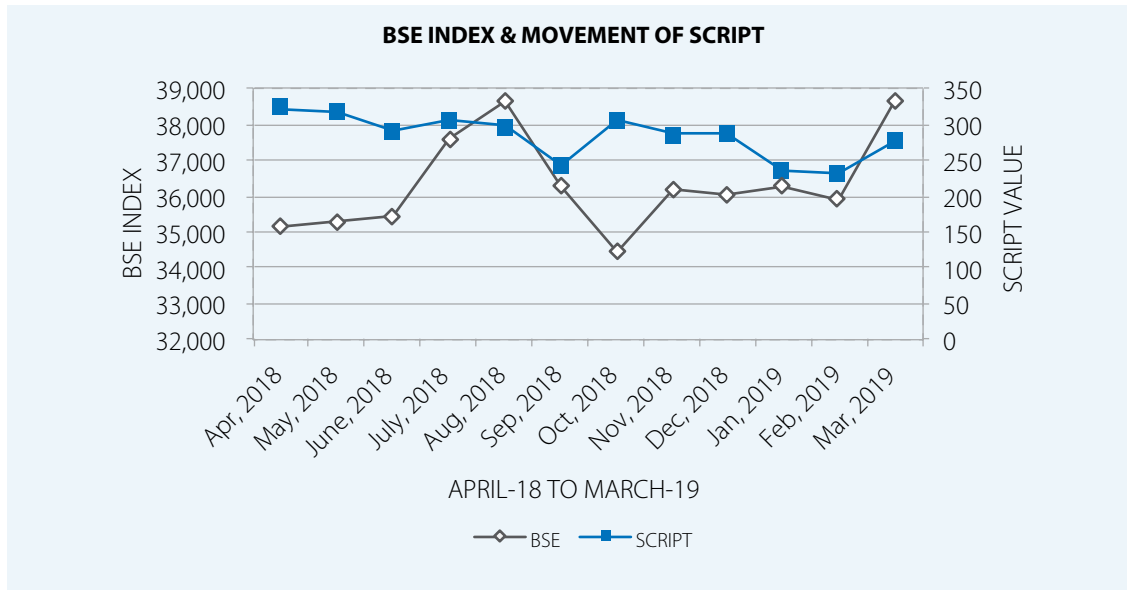
High, Low during each month in last financial year on BSE Ltd:

| Month | Company's Shares | | Closing | |
|-----------------|------------------|---------|-------------|------------|
| | High (₹) | Low (₹) | Closing (₹) | BSE Sensex |
| April, 2018 | 364.60 | 281.55 | 320.45 | 35,160.36 |
| May, 2018 | 360.00 | 275.10 | 315.85 | 35,322.38 |
| June, 2018 | 321.65 | 272.65 | 290.00 | 35,423.48 |
| July, 2018 | 345.15 | 282.05 | 305.40 | 37,606.58 |
| August, 2018 | 323.00 | 294.35 | 297.10 | 38,645.07 |
| September, 2018 | 304.00 | 226.00 | 241.20 | 36,227.14 |
| October, 2018 | 334.95 | 211.00 | 305.60 | 34,442.05 |
| November, 2018 | 319.00 | 297.30 | 286.45 | 36,194.30 |
| December, 2018 | 297.45 | 266.10 | 286.80 | 36,068.33 |
| January, 2019 | 300.55 | 229.55 | 234.95 | 36,256.69 |
| February, 2019 | 246.00 | 211.60 | 230.00 | 35,867.44 |
| March, 2019 | 285.75 | 231.30 | 274.55 | 38,672.91 |

High, Low during each month in last financial year on NSE Ltd :

| Month | Company's Shares | | Closing | |
|-----------------|------------------|----------|--------------|-----------|
| | High (₹) | Low (₹.) | Closing (₹.) | Nifty |
| April, 2018 | 365.00 | 277.95 | 321.30 | 10,739.35 |
| May, 2018 | 359.90 | 275.00 | 317.40 | 10,736.15 |
| June, 2018 | 322.70 | 273.05 | 287.50 | 10,714.30 |
| July, 2018 | 345.00 | 282.95 | 306.35 | 11,356.50 |
| August, 2018 | 325.00 | 295.50 | 296.55 | 11,680.50 |
| September, 2018 | 305.90 | 220.35 | 235.30 | 10,930.45 |
| October, 2018 | 334.90 | 207.95 | 304.20 | 10,386.60 |
| November, 2018 | 318.40 | 280.40 | 285.85 | 10,876.75 |
| December, 2018 | 297.85 | 261.00 | 287.60 | 10,862.55 |
| January, 2019 | 303.00 | 228.05 | 231.55 | 10,830.95 |
| February, 2019 | 246.40 | 211.00 | 228.80 | 10,792.50 |
| March, 2019 | 285.00 | 230.10 | 273.30 | 11,623.90 |

a) Performance in comparison to broad-based indices such as BSE and NSE etc.



b) In case the securities are suspended from trading, the directors report shall explain the reason thereof; - Not Applicable

c) Registrar and Share Transfer Agents:

SHAREX DYNAMIC [INDIA] PRIVATE LIMITED
 [Unit: BHAGERIA INDUSTRIES LIMITED]
 C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai-400083.
 Tel: 022 2851 5606 / 2851 5644
 Email: support@sharexindia.com

d) Share Transfer Systems:

Share Transfer Requests are received at the registered office of the Company as well as directly at RTAs office. RTA does the verification and processing of documents. In order to comply with the requirements of SEBI (LODR) Regulations, 2015 to effect transfer of shares within 15 days, the RTA has been authorised to process, approve and effect transfer of shares on behalf of the Company at fortnightly intervals. The share certificates duly endorsed for transfer are returned to shareholders within stipulated time of 30 days.

e) Distribution of Shareholding :

SHAREHOLDING PATTERN AS ON MARCH 31, 2019:

| Category | No. of shares held | % of shareholding |
|---|--------------------|-------------------|
| Promoters | 1538118 | 70.48 |
| Bank, Financial Inst, Insurance Company | 11255 | 0.05 |
| Private Bodies Corporate | 2576697 | 11.81 |
| Indian Public | 3413857 | 15.64 |
| NRI/OCBs | 281681 | 1.29 |
| Others | 157412 | 0.72 |
| Total | 21822090 | 100.00 |

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2019:

| No. of Equity Shares held | No. of Shareholders | No. of Shares held | % of Equity Capital |
|---------------------------|---------------------|--------------------|---------------------|
| Upto 500 | 8964 | 1029406 | 4.717 |
| 501-1000 | 578 | 448443 | 2.055 |
| 1001-5000 | 460 | 1013537 | 4.645 |
| 5001-10000 | 63 | 428335 | 1.963 |
| 10001 & 100000 | 40 | 1037633 | 4.755 |
| 100001 & above | 29 | 17864736 | 81.865 |
| Total | 10134 | 21822090 | 100.000 |

(l) Dematerialisation of Shares & Liquidity:

As on March 31, 2019, 21469463 shares representing 98.38% of total equity shares were held in dematerialised form with NSDL and CDSL. The 100% shareholding of Promoters & Promoters Group is in dematerialised form in compliance with Regulation 31(2) of the Listing Regulations.

Liquidity:

Average Monthly Trading of the Company's Shares on BSE

| Particulars | BSE | NSE |
|------------------|--------|--------|
| Number of Trades | 3103 | 15587 |
| Number of Shares | 190337 | 511736 |

m) Outstanding GDR's /ADR's / Warrants or any Convertible instruments, conversion date and likely impact on equity : NOT APPLICABLE

n) Commodity price risk or foreign exchange risk and hedging activities –

Market driven. For detailed information on foreign exchange risk and hedging activities, please refer to notes to financial Statements.

o) Plant Locations :

Chemical Plants-

- (i) Dyes & Dyes Intermediates - Plot No. 6310, IV Phase, GIDC Industrial Estate, Vapi, Gujarat - 396 195.

- (ii) Plot No. D-17, MIDC Tarapur Boisar Industrial Area Boisar, Palghar – 401506.

Solar Power Plant –

- 1.20 MWP Rooftop Solar Power Plant with Lucas TVS Limited situated at Padi, Chennai-600 050, India.
- 1 MWP Rooftop Solar Power Plant with Asahi India Glass Limited situated at Plot No.F-76 to 81,SIPCOT Industrial Part, Irungattukottai, Sriperumbudur, District – Kancheepuram, Tamil Nadu – 602 117.
- 480 KWP Rooftop Solar Power Plant with TRIL Infopark Limited situated at Ramanujan IT City, Rajiv Gandhi Salai (OMR), Taramani, Chennai – 600 113.
- 100 MWP Rooftop Solar Power Plant with Dr. Hedgewar Hospital situated at Garkheda Parisar, Near Gajanand Temple, Aurangabad – 431 005.
- 30 MW Solar Power Plant at Ahmednagar, Maharashtra.
- 1001.7 KWP Rooftop Solar power Plant with Kajaria Ceramics limited situated at 19 Km stone, Village Gailpur, Bhiwandi- Alwar Road, PO Tapukara, Dt Alwar-301707.
- 1.1 MWP Ground Mounted Solar Plant situated at Andur,taluka Tuljapur District Osmanabad for captive consumption for Tarapur Plant.

p) Address for Correspondence :

BHAGERIA INDUSTRIES LIMITED
Office No. 1002, 10th Floor, Topiwala Centre, Off S. V. Road,
Goregaon [West], Mumbai – 400 062.
E-mail : info@bhageriagroup.com
Telephone No. 4043 6666

q) List of all Credit rating list of all credit ratings obtained by the Company along with any revisions thereto during the financial year-
CARE Ratings Ltd. (CARE) has reviewed and given the ratings as under:

| Facilities | Amount (₹. Crore) | Rating | Rating Action |
|--|---|---|--|
| Long-term Fund Based Bank Facilities (Term loan) | 6.10 (Enhanced from 4.92 crores) | CARE A-;Stable (Single A Minus; outlook: Stable) | Revised from CARE BBB+;Stable (Triple B Plus; Outlook: Stable) |
| Short-term Fund Based Bank Facilities | 78.00 (enhanced from 53.00) | CARE A2+ (A Two Plus) | Revised from CARE A 2 (A Two) |
| Short-term Non Fund Based Bank Facilities | 1.00 | CARE A2+ (A Two Plus) | Revised from CARE A2 (A Two) |
| Total Facilities | 85.10 (Rupees Eighty Five Crore and Ten Lakh only) | | |

10. Other Disclosures:

- a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:

None of the transactions with any of the related parties were in conflict with the interests of the Company.

- b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

None

- c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee:

Pursuant to Section 177 (9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations the Company has adopted a Vigil Mechanism/Whistle Blower Policy. The Company believes in professionalism, transparency, integrity and ethical behaviour and had thus established a 'Whistle Blower Policy' to facilitate employees to report concerns of any unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. No person has been denied access to the Audit Committee.

- d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all mandatory requirements of Listing Regulations and has implemented the following non mandatory requirements:

- The Board: Not Applicable since the Company has an Executive Chairperson
- Shareholders Rights: Presently the company is not sending half yearly communication.
- Modified opinion(s) in the Audit Report: It is always the company's endeavour to present unqualified financial statements. There are no audit modified opinions in the company's financial statement for the year under review.
- Separate posts of Chairperson and CEO : The Company is already having separate posts for Chairperson/CEO and Managing Director / Jt. Managing Director
- Reporting of Internal Auditor: The Internal Auditor is directly reporting to Audit Committee

- e) web link where policy for determining 'material' subsidiaries is disclosed:

Not Applicable

f) web link where policy on dealing with related party transactions: www.bhageriagroup.com

g) disclosure of commodity price risks and commodity hedging activities:

Market Driven

h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

The Company has not raised any fund through Preferential Allotment or Qualified Institutions Placement as specified under regulation 32 (7A) of the SEBI (LODR) Regulations, 2015, during the financial year ended March 31, 2019.

i) a certificate from GMJ & Associates company secretary in practice have been obtained and certifying 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 Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

j) where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: Not Applicable

k) Total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: as per Note no 35 of financials.

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

- a. number of complaints filed during the financial year- Nil
- b. number of complaints disposed of during the financial year- Nil
- c. number of complaints pending as on end of the financial year- Nil

11. Non Compliance of any requirement of Corporate Governance Report of sub-paras (2) To (10) of para C of Corporate Governance Report of Schedule V Annual Report of Listing Regulations:

NONE

12. Disclosure to the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:

As Per Details Given Under The Heading "Other Disclosures", Sub point (d) – Non Mandatory Requirements.

13. Disclosures of the Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (l) of sub-regulation (2) of Regulation 46 shall be made in the Section on Corporate Governance of the Annual Report:

Company has complied with the Corporate Governance Requirements specified in Regulation 17 to 27 and in accordance with Regulation 46(2) of Listing Regulations, required information has been hosted on the Company's website www.bhageriagroup.com

14. Related Party Transactions:

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

All related party transactions are placed before the Audit Committee and also before the Board for their approval in accordance with the Policy on Related Party Transactions formulated by the Board of Directors of the Company and has been posted on the website of the Company (www.bhageriagroup.com). Omnibus approval was obtained from the Audit Committee for transactions which were of repetitive nature with monitoring and review on quarterly basis.

15. Code of Conduct:

The Company has adopted a Code of Conduct for the Directors, Senior Management Personnel and Employees of the Company. The members of the Board and Senior Management of the Company have submitted their affirmation on compliance with the code for the effective period. The Declaration by the Chairperson to that effect forms part of this Report.

16. Code of Conduct for Prevention of Insider Trading

In compliance with the requirements of the Regulation 8 & Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. The Board of Directors has formulated and adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to regulate, monitor and report trading by its employees and other connected persons, are uploaded on the website of the Company www.bhageriagroup.com.

17. CEO Certification:

As required under Regulation 17(8) of Listing Regulations, a Certificate duly signed by Mr. Suresh Bhageria, Chairperson has been obtained. The Certificate is annexed to this Report.

18. Auditors' Certificate on Corporate Governance:

The Company has obtained a Certificate from Auditors of the Company regarding compliance with the provisions relating to

the corporate governance laid down in the Listing Regulations. This Certificate is annexed to the Report.

19. Declaration:

All the members of the Board and senior Management Personnel of the Company have affirmed due observation of the code of the conduct, framed pursuant to Regulation 26(3) of Listing Regulations with Stock Exchange is so far as it is applicable to them and there is no non-compliance thereof during the year ended March 31, 2019.

Registered Office:

1002, 10th Floor,
Topiwala Centre,
Off S. V. Road,
Goregaon [West],
Mumbai - 400 062.
Date: May 29, 2019.

For and on behalf of the Board
BHAGERIA INDUSTRIES LIMITED

SURESH BHAGERIA
CHAIRPERSON
(DIN: 00540285)

CEO CERTIFICATION

The Board of Directors
Bhageria Industries Limited,
Mumbai

Re: Financial Statements for the year 2018-19 – Certification by CEO

I, Suresh Bhageria, Chairperson of Bhageria Industries Ltd., hereby certify that:

- (A) We have reviewed Financial Statements and the Cash Flow Statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violating the Company's code of conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the Auditors and the Audit Committee that:
- (1) There have been no significant changes in internal control over financial reporting during the year;
 - (2). There have been no significant changes in accounting policies during the year; and
 - (3). There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date: May 29, 2019

Suresh Bhageria
Chairperson

AUDITORS' CERTIFICATE

To
The Members,
BHAGERIA INDUSTRIES LIMITED,

We have examined the compliance of conditions of Corporate Governance by BHAGERIA INDUSTRIES LIMITED, for the year ended on March 31, 2019, as stipulated in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

For MRB & Associates
Chartered Accountants
FRN 136306W

Manish R Bohra
Proprietor
M. No. 058431

Mumbai.
Date: May 29, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

Global economic overview

Following a robust growth of 3.8% in 2017 that extended into the first half of 2018, the global economy slowed significantly in the second half of 2018, reflecting a confluence of factors such as the failure of the Brexit negotiations, tightened financial conditions, geopolitical tensions, and higher crude oil prices that affected the major economies. Owing to this, global economic growth in 2018 was estimated at 3.6% and projected to slow to 3.3% in 2019. Crude prices remained volatile due to multiple factors including American policy pertaining to Iranian exports and the softening of global demand. Oil prices dropped from a four-year peak of US\$ 81 per barrel in October 2018 to US\$ 61 per barrel in February 2019.

Global economic growth over the years

| Year | 2015 | 2016 | 2017(E) | 2018(E) | 2019 (P) |
|---------------------|------|------|---------|---------|----------|
| Real GDP growth (%) | 3.2 | 3.1 | 3.8 | 3.6 | 3.3 |

[Source: World Economic Outlook, April 2019] E: Estimated; P: Projected

Indian economic overview

India retained its position as the sixth-largest economy and the fastest-growing trillion-dollar economy through a major part of the year under review (except in the last quarter of 2018-19). After growing 7.2% in 2017-18, the Indian economy is estimated to have grown 6.8% in 2018-19 as per the Central Statistics Office release, May 2019.

The principal developments during the year under review comprised a sustained increase in per capita income, decline in national inflation, steady interest rates and weakened consumer sentiment from the second half of the financial year. The weaker sentiment was on account of a large non-banking financial institution announcing its inability to address liabilities. This affected credit expansion, financial markets and consumer sentiment, which in turn resulted in slower GDP growth that declined to 5.8% by the fourth quarter of 2018-19, the slowest growth in a single quarter in years.

In 2018, the country attracted ~US\$ 42 billion in FDI inflows as per the World Investment Report 2019. Driven by strong policy reforms, India witnessed a record 23-notch jump to the 77th position in the World Bank's latest report on the 'Ease of Doing Business' that captured the performance of 190 countries.

The commencement of the US-China trade war opened new opportunities for India, particularly in the agro sector. Inflation (including food and energy prices) was estimated at 2.6% on an annual basis, one of the lowest in years and well below the Reserve Bank of India's medium-term target of 4%. The rupee rebounded after touching a low of ₹. 74.45 to a dollar to close the financial year at ₹. 69.44. During the fiscal under review, the Indian Government continued to invest deeper in digitisation, renewable energy capacity generation and infrastructure building.

Key government initiatives

The Indian government continued to take a number of initiatives in strengthening the national economy.

Bank recapitalisation scheme: In addition to infusing ₹2.1 lakh crore in public sector units, the Indian Government announced a capital infusion of ₹. 41,000 crore to boost credit for a strong impetus to the economy in FY2018-19. The Budget 2019-20 mandated that the Union Government will infuse ₹70,000 crore to strengthen and enhance their lending capacity. (Source: Hindu Business Line)

Expanding infrastructure: India's proposed expenditure of ₹. 5.97 trillion (US\$89.7 billion) towards infrastructural development In the Union Budget 2018-19 is expected to strengthen the national economy. As of November 2018, the total length of projects awarded under Bharatmala Pariyojana (including residual NHDP works) was 6,460 kms for a total cost of ₹1.52 trillion (US\$ 21.07 billion). The Government has announced to invest ₹10,000,000 crore (US\$ 1.5 trillion) in infrastructure over the next five years in Budget 2019-20. (Source: IBEF)

Ujjwala Yojana and Saubhagya Yojana: With the help of this initiative, the Government has transformed the lives of every rural family, dramatically improving the ease of their living by providing electricity and clean cooking facility to all willing rural families by 2022.

UDAAN: This Scheme is directed towards providing air connectivity to smaller Indian cities, enabling the common citizen to avail the option of travelling via air. Under this scheme, a number of airports are likely to be constructed.

The Insolvency and Bankruptcy code (Amendment), Ordinance 2018: Passed in June 2018, the ordinance provides significant relief to home-buyers by recognising their status as financial creditors.

The major beneficiary of the ordinance are the MSMEs, as it empowered the Indian Government to provide them with a special dispensation under the code. (Source: PIB)

Pradhan Mantri Kisan Samman Nidhi: In February 2019 the Indian Government announced the Pradhan Mantri Kisan Samman Nidhi, a scheme promising an annual assured income of ₹. 6,000 (US\$84.5) for any farmer owning less than equal to 2 hectares of farmland. The Budget for fiscal year 2020 allocated ₹75,000 crore for the scheme, benefiting ~120 million land-owning farmer households. (Source: PIB)

Direct Benefit Transfer: The Direct Benefit Transfer initiative re-engineered the cash disbursement process in welfare schemes through simpler and faster flow of information/funds to ensure accurate targeting of beneficiaries, de-duplication and reduction of fraud. In 2018-19 alone, this scheme is estimated to have transferred over ₹3,00,000 crore and the gains to have accrued since scheme implementation (upto March 2019) estimated at ₹1,41,677.56 crore. (Source: www.dbtbharat.gov.in)

Outlook

India's economy is expected to remain sluggish through 2019-20 before reviving thereafter in line with its long-term potential. (Source: CSO, Fitch, Economic Times, Business Standard, IBEF, Business Today, India Today)

Global dyes and pigment industry overview

The global pigments market's revenue reached US\$ 30.42 billion in 2016 and is estimated to reach US\$ 42.19 billion by 2023, growing at a CAGR of ~5%. Of this, the organic pigments market size was estimated at US\$ 3.69 billion in 2018 and projected to reach US\$ 4.67 billion by 2023, growing at a CAGR of 4.8%. The dyes market size could register a CAGR of more than 4% till 2023.

Asia-Pacific remained the largest and fastest-growing market for organic pigments on account of rising demand from the packaging, automotive and construction industries. The market is expected to be driven by a growing demand for paints and coatings over the next five years.

There is a deep relationship between dyes and pigments on the one hand and paints and coatings on the other, the latter being downstream for the former. Manufacturers from the aviation, construction and automotive industries blend surface coating products like varnishes, sealants, paints and coatings with pigments and dyes. This enhances aesthetics, protects materials from rust and offers UV resistance. The demand for organic dyes and pigments is increasing owing to a growing preference for eco-friendly products, contributing to the demand for automotive

paints and coatings. (Source: Mordor Intelligence, Grandview Research, Technavio, Markets and Markets)

Emerging trends

Increasing demand in the textile industry: The textile sector is a major buyer of dyes. The textile dyes market was expected to grow from US\$ 7.8 billion in 2018 to US\$ 13.0 billion by 2027 at a CAGR of 6% between 2018 and 2027. The growing demand for textile dyes for various fiber types like cotton, polyester and viscose, is expected to catalyse the growth of the dyes market.

Increasing demand in the paper industry: The paper Industry has been using dyes for decades. The demand growth for paper dyes in APAC is driving the global paper dyes market. This global market was estimated at US\$ 920.4 million in 2017 and projected to reach US\$ 1,099.3 million by 2022, at a CAGR of 3.62%.

China impact: The Chinese Government imposed closure and production limitations to reduce effluents and emissions generated by the chemical industry. This resulted in a limited availability of pigment intermediates, increasing costs. Approximately 40% of China's factories were shut down by the environmental bureau and more than 80,000 factories were slapped with fines for pollution emissions. (Source: Forbes, Mordor Intelligence, Technavio, Markets and Markets)

Outlook

The global market for dyes and dye intermediates is witnessing technological advancements. Companies are seeking to develop new ways of manufacturing dye intermediates, to grow the market. Increasing textiles demand and extensive use in the printing and ink Industry are driving the dye market, prompting companies to increase production. The abundant availability of raw materials is expected to strengthen the manufacture for dyes and dye intermediates.

The robust growth of the dye and pigment industry in China and India is likely to catalyse the leadership position of the Asia-Pacific region in the global market, marked by a healthy growth in downstream demands. Manufacturers are deepening their R&D investments to produce environment-friendly dyes and pigments to comply with government regulations restricting the use of toxic inputs in dyes. (Source: Ken Research, Mordor Intelligence, Market Watch)

Indian dyes and dyestuff industry overview

Basic organic chemicals and their related products (fertilisers, paints, varnishes, glass, perfumes, toiletries, pharmaceuticals, etc.) constitute a significant part of the Indian economy. In the most diversified industrial sectors, chemicals cover an array of more than 70,000 commercial products.

India is the seventh largest global producer and the third largest Asian producer of chemicals. The country ranks third globally for the production of agro chemicals and contributes around 16 per cent to the global dyestuff and dye intermediates production.

Total export of dyes and dye intermediates, organic and inorganic chemicals, including agro chemicals, cosmetics and toiletries, essential oils, incense sticks and castor oil, stood at US\$ 28.38 billion during 2017-18. The US, the UAE, the UK, Bangladesh and Saudi Arabia are the leading importers of cosmetics, toiletries and essential oils.

The Indian dyestuff market is expected to grow to US\$2.45 billion by FY21, registering a strong CAGR of ~19%. This was primarily led by a growth in end-user industries like textiles, paper, plastics, printing inks, foodstuff and leather. The future of the textile industry appears optimistic, buoyed by strong domestic consumption and export for high demand. The domestic textile market is expected to ride economic growth and higher disposable income. Maharashtra and Gujarat account of 90% of India's dyestuffs production.

The Indian dyes and pigments industry is the second-highest exporter in the chemical industry. At 16% of global production, the dyestuff and dye intermediates industry is experiencing a continuous increase in export, with the export of chemicals and chemical products reaching ₹~995.5 billion in 2017.

Dye intermediates comprise products like H-acid and Vinyl sulphone, which are used to manufacture dyes. India possesses Vinyl sulphone and H-acid manufacturing capacity of 67,400 MTPA and 43,700 MTPA respectively. The export of dyes and dyestuffs from India was estimated at US\$ 2.4 billion in 2017 with synthetic organic colouring matter accounting for more than 88% of the share of the export market. USA, Turkey, Bangladesh, China & Germany were the principal customers. (Source: Ken Research, Indsec, Trade Promotion Council of India and JM Financial)

India's dye exports (in US\$ million)

| Country | FY16 | FY17 | FY18 |
|---------------|-------|-------|-------|
| USA | 179.0 | 168.2 | 182.9 |
| Turkey | 141.3 | 142.8 | 170.0 |
| China P RP | 70.1 | 86.8 | 126.8 |
| Bangladesh PR | 102.0 | 115.4 | 120.1 |
| Germany | 92.7 | 91.7 | 103.5 |
| Italy | 88.7 | 89.9 | 100.5 |
| Netherland | 68.5 | 68.3 | 97.3 |
| Brazil | 73.0 | 89.3 | 93.2 |
| Indonesia | 72.7 | 76.5 | 81.1 |
| Singapore | 49.0 | 54.0 | 77.4 |

Key downstream sectors

Textiles: The Indian textiles industry is expected to grow from an estimated US\$ 100 billion to US\$ 226 billion by FY2023. Foreign direct investment into India's textiles sector (including dyes and printed textiles) was US\$ 2.97 billion by June 2018. The cost-effectiveness and eco-friendliness of pigments enhance suitability of applications in the textile value chain.

Paints and coatings: India's paints and coatings market is projected to grow at a CAGR of 11.4% till 2023, driven by growing investments in the infrastructure and real estate sectors. Pigments play a growing role in the manufacture of opaque and glossy colours in the formulation of paints and coatings.

Automobile: In the automotive sector, paints and coatings are used in automobile protection and aesthetics. With the automotive segment growing at 5.2%, pigment offtake is expected grow in the coming years.

Construction: The size of the India's construction industry is expected to reach US\$ 1 trillion by 2025. Growing housing demand could increase the demand for paints and coatings. (Source: PR Newswire, Make in India, IBEF)

Opportunities and threats

Opportunities

- Large domestic market
- Capacity closures in China due to environmental norms, an opportunity for Indian players.
- Established quality of Indian dyes industry, a headroom for growth.
- Quality human resources
- Major raw materials available within the country
- Established production facilities

Threats

- Stringent environmental norms
- Dependence on China for crucial dyes and dyestuffs
- Major production in the MSME sector without backward or forward linkages
- Low investment in organised Research & Development

Outlook

The growth of the dyes sector depends on demand from end-user industries like paints, textiles, printing inks, paper, plastics and foodstuffs. Changing customer preferences and infrastructure expansion across the world could create opportunities for the dyes industry. The dyes intermediate segment is expected to report demand growth on account of growth of the dyes industry. The

industry is likely to introduce dyeing technologies leveraging technical and R&D capabilities. (Source: Ken Research)

Indian solar energy market overview

The total solar energy production reached to 27.548 billion units in FY2018-19. In 2018, India installed 1 MW of solar capacity every hour. Solar power is the second largest source of renewable energy accounting for 34.03 per cent of total installed capacity in renewable energy in 2018. India is located in the solar belt, enjoying abundant sunshine. India's installed solar generation capacity rose by more than 10x in five years, validating its popularity. (Source: IBEF)

Governmental initiatives

- The Ministry of Environment, Forest and Climate Change, the Government of India, announced that solar photovoltaic power, solar thermal power projects and solar parks would be exempt from the mandatory environment clearance certificate under the provisions of Environment Impact Assessment Notification, 2006.
- The Government of India set an ambitious target for deploying 100 GW of solar power by 2022.
- Sixty solar cities are expected to be developed in India as a part of the Ministry of New and Renewable Energy's Solar Cities programme.
- The Government of India aims to set up 25 solar parks and ultra-mega solar power projects targeting 20,000 MW of solar power installed capacity by 2019-20. (Source: IBEF)

Outlook

India's solar energy installation is expected to increase 360 per cent by 2020, surpassing the installed capacity of wind-power and expected to reach 100 GW by 2022. The future for India's solar energy industry appears positive due to improved capacity addition, favourable policies and rising demand for non-fossil fuel-based energy sources. (Source: Economic Times, ICRA)

The Company's overview

Incorporated in 1989, Bhageria Industries Limited is engaged in manufacturing dye and dye-intermediates. The Company's manufacturing facilities (Vapi and Tarapur) produce Vinly Sulphone, H-Acid and Gamma Acid. Nearly 35% of the output is principally exported to Korea, Japan, Taiwan, China, Germany and US as well as other European countries. The Company also invested in solar power generation comprising a 30 MW solar power plant in Ahmednagar and a 4.88 MWP solar rooftop outlay located mostly in Chennai.

Financial review

The Company's revenues grew by 22% to ₹468 crore in FY2018-19 following improved sales. EBIDTA stood at ₹130 crore compared to

₹91 crore in the previous year. The Company reported a post-tax profit of ₹72 crore during FY2018-19 compared to a post-tax profit of ₹40 crore in the previous year. The Company proposed a final dividend of ₹2.25 per equity share following interim dividend of ₹3.75 per equity share.

Key ratios

| Particulars | 2018-19 | 2017-18 |
|--------------------------|---------|---------|
| EBIDTA/Turnover (%) | 27.84 | 23.73 |
| EBIT/Net interest ratio | 28.43 | 11.31 |
| Debt-equity ratio | 0.07 | 0.28 |
| Return on equity (%) | 22.43 | 14.41 |
| Book value per share (₹) | 156.90 | 135.33 |
| Earnings per share (₹) | 32.73 | 18.45 |

Details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefore, including:

Debtors' turnover: The Company's debtor's turnover stood at 6.14 times compared to 5.35 times in FY2017-18.

Inventory turnover: On account of growth in sales, inventory turnover improved to 18.59 times compared to 13.61 times earlier.

Interest Coverage ratio: The Company's interest coverage ratio stood at 28.43 times against 11.31 times in FY2017-18. This was because of an increase in profitability and repayment of debt.

Current ratio: The Company's current ratio stood at 1.98 in FY2018-19 compared to 1.35 in the previous financial year due to faster conversion of cycle of debtors and reduction in current liabilities.

Debt-Equity ratio: The debt-equity ratio of the Company improved to 0.07x following ₹60 crore debt repayment in FY2018-19.

Operating Profit: Operating profit margins improved by 138 bps to 33.29 per cent following improved performance.

Net Profit margin: The net profit margin was 15.29% compared to 10.46% in FY2017-18 on account of higher volumes and realisations.

Return on Net Worth: The return on net worth improved by 802 bps to 22.43% following improved performance.

Risk management

Industry risk: A fall in downstream sector demand could affect production and revenue of upstream products manufactured by the company.

Mitigation: Demand from end-user industries is growing especially in the Asia-Pacific region. Following increasing demand for high-grade paints/coatings, quality textiles and plastic in end-user industries, the demand for dyes, dye intermediates and pigments

is expected to grow sustainably.

Technology risk: Technology obsolescence could affect profitability.

Mitigation: The Company's state-of-the-art manufacturing capabilities and cutting-edge technologies empower the Company to deliver quality products on schedule, strengthening the Company's position as a dependable partner.

Economic risk: A slowdown in the economy could affect the industry.

Mitigation: The Indian economy is less exposed to a slowdown in global manufacturing trade growth than other major Asian economies. However, the company has hedged against this possibility through increased exports (32% of revenues, 2018-19).

Raw material risk: Increase in the cost of input materials could affect the Company's profitability.

Mitigation: The Company has invested in a strong supply chain with a focus on timely resource availability. The Company has also embarked on the manufacture of specific resources that are expected to strengthen its backwards integration and widen its presence across a wider value chain.

Liquidity risk: A liquidity crunch could affect day-to-day operations.

Mitigation: The Company is long term debt free and enjoys a strong cash flow with working capital cycle of 34 days in FY2018-19.

**Working capital days are calculated on sales*

Human resources

In recent times the traditional responsibilities of the HR department, such as ensuring equitable benefits and compensation, overseeing employee engagement and retention, enhancing diversity, handling workplace issues etc., have evolved.

At Bhageria, we focus on enhancing employee wellbeing and potential. The Company provides an invigorating workplace environment, attractive career growth, fair performance management, compensation and operational transparency.

The Company's employee strength stood at 255 as on March 31, 2019. The average age of employees was 38 years by the close of the year under review.

Internal control systems and their adequacy

The Company's internal audit system is continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee takes note of the audit observations and takes corrective actions whenever necessary. It maintains a continuous dialogue with the statutory and internal auditors to ensure that internal control systems are operating effectively.

Cautionary statement

Statements in the management discussion and analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. The important factors that could make a difference to the Company's operations include global and Indian demand and supply conditions, finished goods prices, raw material availability and prices, cyclical demand, changes in government regulations, environmental laws, tax regimes, economic developments within India and the world, as well as other factors such as litigation and industrial relations.

An abstract graphic featuring a molecular structure composed of spheres and connecting rods. The structure is split horizontally: the top half is white and the bottom half is blue. The spheres are rendered with a low-poly, faceted style, giving them a crystalline appearance. Some spheres are larger and more prominent, while others are smaller and more distant. The rods are thin and metallic-looking. The overall composition is clean and modern, with a focus on geometric shapes and a limited color palette of white, blue, and grey.

FINANCIAL STATEMENT

AUDITORS' REPORT

To
The Members of
Bhageria Industries Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **Bhageria Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and Statement of Cash Flow 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 as the "the Ind AS Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, 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 Ind AS 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 Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Ind AS 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 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 Ind AS Financial Statements.

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

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS 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.

Responsibility of Management and Those Charged with Governance for Ind AS 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 Ind AS 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Change 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 Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 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 A". Our Report expressed

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

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

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

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Ind AS financial statements in Note No. 43.

- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

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

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

For MRB & Associates
Chartered Accountants
Firm Registration Number-136306W

Place: Mumbai
Date: May 29, 2019

Manish R Bohra
Proprietor
Membership No:058431

Annexure “A” to the Independent Auditors’ Report

Referred to in paragraph 1(f) under “Report on Other Legal and Regulatory Requirements” section of our report to the members of Bhageria Industries Limited.

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 Bhageria Industries Limited (“the Company”) as of 31st March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of company’s internal financial control 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, to the best of our knowledge and according to the explanations given to us, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 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 MRB & Associates
Chartered Accountants
Firm Registration Number-136306W

Place: Mumbai
Date: May 29, 2019

Manish R Bohra
Proprietor
Membership No:058431

Annexure “B” to the Independent Auditors’ Report

Referred to in Paragraph 2 under “Report on Other Legal and Regulatory Requirements” section of our Report of even date to the members of Bhageria Industries Limited

Based on audit procedure performed for the purpose of reporting the true and fair view of the financial statements of the company and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us in the normal course of our audit, in our opinion and to the best of our knowledge and belief, we report that:

i. In respect of its fixed assets: -

- The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment’s;
- The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification;
- All title deeds of immovable properties are held in the name of the company.

ii. In Respect of inventory

- The inventories have been physically verified during the year by the management. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- During such verification, no material discrepancies were noticed.

iii. According to the information and explanations given to us, the company has not granted any loans to companies, firms,

Limited liability partnership or other parties covered in the Register maintained under section 189 of the Companies Act, 2013.

iv. The company has not advanced any loan, investments, guarantees and securities during the period under audit and the provisions of section 185 and 186 of the Companies Act, 2013 are complied with.

v. The Company has not accepted any public deposit for the year ended 31st March, 2019.

vi. We have reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacturing activities, and are of the opinion that prima facie, the specified accounts and records have been made and maintained.

vii. In respect of statutory dues:-

- The company has been generally regular in depositing undisputed statutory dues, including Provident fund, Investor education and Protection Fund, Employees’ State Insurance, Income-Tax, Sales-tax, Service Tax, Wealth Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess and any other material statutory dues to the appropriate authorities. The Company did not have any undisputed amount payable in this respect at 31st March, 2019 for a period of more than six months from the date when they become payable.

- (b) On the basis of examination of books of account, there is no dues of income tax, Wealth Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty and Cess, which is disputed and not deposited. The particulars of Dues of Sales tax as on 31st March, 2019 which has not been deposited on account of a dispute, are given below-

(₹ in lakhs)

| Statute | Nature of dues | Forum where dispute is pending | Period to which the amount relates | Current year | Previous year |
|---------------------------------------|----------------|--|------------------------------------|--------------|---------------|
| The Maharashtra Value Added Tax, 2002 | VAT | Deputy Commissioner of Sales Tax (Appeals) | 2006-07 | Nil | 1.48 |
| The Maharashtra Value Added Tax, 2002 | VAT | Deputy Commissioner of Sales Tax (Appeals) | 2008-09 | Nil | 2.37 |
| The Maharashtra Value Added Tax, 2002 | VAT | Deputy Commissioner of Sales Tax (Appeals) | 2010-11 | Nil | 1.4 |
| The Gujarat Value Added Tax Act, 2006 | Sales Tax | Gujarat Value Added Tax Tribunal, Ahmedabad | 2008-09 | 8.81 | 8.81 |
| Customs Act, 1962 | Custom Duty | Additional Commissioner of Customs (Preventive) Mumbai | 2011-12 | 16.33 | 16.33 |

| Statute | Nature of dues | Forum where dispute is pending | Period to which the amount relates | Current year | Previous year |
|------------------|----------------|---|------------------------------------|--------------|---------------|
| Customs Act,1962 | Custom Duty | Additional Commissioner of Customs (Preventive) Mumbai | 2012-13 | 16.96 | 16.96 |
| Customs Act,1962 | Custom Duty | Additional Commissioner of Customs (Preventive) Raighad, Maharastra | 2005-06 | Nil | 0.23 |
| Customs Act,1962 | Custom Duty | Additional Commissioner of Customs (Preventive) Raighad, Maharastra | 2006-07 | Nil | 0.26 |
| Customs Act,1962 | Custom Duty | Additional Commissioner of Customs (Preventive) Raighad, Maharastra | 2007-08 | Nil | 1.09 |

- viii. In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of dues to a financial institutions or banks.
- ix. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- x. In our opinion and according to the information and explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. The Company has not been classified as Nidhi Company hence clause 3(xii) of the order is not applicable to the company.
- xiii. According to the information and explanations provided by the management, transactions with the related parties are in compliance with section 177 and 188 of 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. The Company has not entered into any non- cash transactions with directors or persons connected with him therefore clause 3(xv) of order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 therefore clause 3(xvi) of order is not applicable to the company.

For MRB & Associates
Chartered Accountants
Firm Registration Number-136306W

Manish R Bohra
Proprietor
Membership No:058431

Place: Mumbai
Date: May 29, 2019

Balance Sheet

as at March 31, 2019

(₹ in lakhs)

| Particulars | Note No. | As at March 31, 2019 | As at March 31, 2018 |
|---|----------|----------------------|----------------------|
| I. ASSETS | | | |
| 1. Non Current Assets | | | |
| (a) Property, Plant and Equipment | 4 | 28,468.02 | 29,703.98 |
| (b) Capital Work-In-Progress | 4 | 1,509.49 | 434.42 |
| (c) Investment Property | 5 | 209.44 | 221.33 |
| (d) Financial Assets | | | |
| (i) Investments | 6 | 46.95 | 53.75 |
| (ii) Others | 7 | 1,311.83 | 169.32 |
| (e) Other Non- Current Assets | 8 | 645.76 | 298.28 |
| | | 32,191.48 | 30,881.08 |
| 2. Current Assets | | | |
| (a) Inventories | 9 | 1,871.45 | 3,102.96 |
| (b) Financial Assets | | | |
| (i) Investments | 10 | 945.68 | 79.81 |
| (ii) Trade Receivables | 11 | 6,331.64 | 8,737.09 |
| (iii) Cash and Cash Equivalents | 12 | 488.24 | 582.37 |
| (iv) Other Bank Balances other than (iii) above | 13 | 3,092.80 | 2,718.07 |
| (v) Others | 14 | 444.36 | 345.88 |
| (c) Current Tax Asset (net) | 15 | 993.69 | 2,110.84 |
| (d) Other Current Assets | 16 | 352.64 | 934.82 |
| | | 14,520.50 | 18,611.84 |
| Total Assets | | 46,711.98 | 49,492.92 |
| II. EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity Share Capital | 17 | 1,091.10 | 793.98 |
| (b) Other Equity | 18 | 33,148.70 | 28,737.66 |
| | | 34,239.80 | 29,531.64 |
| LIABILITIES | | | |
| 1. Non Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | - | 920.44 |
| (b) Provisions | 20 | 114.12 | 68.17 |
| (c) Deferred Tax Liabilities (Net) | 21 | 5,018.47 | 5,156.54 |
| | | 5,132.60 | 6,145.15 |
| 2. Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 22 | 2,349.47 | 7,279.79 |
| (ii) Trade Payable | 23 | | |
| Total outstanding dues of micro enterprises and small enterprises | | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprise | | 3,942.87 | 5,223.23 |
| (iii) Other Financial Liabilities | 24 | 364.46 | 1,063.13 |
| (b) Other Current Liabilities | 25 | 675.88 | 244.90 |
| (c) Provisions | 26 | 6.90 | 5.08 |
| | | 7,339.58 | 13,816.13 |
| Total Equity and Liabilities | | 46,711.98 | 49,492.92 |
| Summary of Significant Accounting Policies | 2-3 | | |

The notes referred to above are an integral part of the financial statements

For MRB & Associates

Chartered Accountants

FRN : 136306W

Manish R Bohra

Proprietor

Membership No. 058431

Place : Mumbai

Date : May 29, 2019

For and on behalf of the Board of Directors

Suresh Bhageria

Chairperson

DIN: 00540285

Ketan Gaur

Company Secretary

Membership No.50087

Place : Mumbai

Date : May 29, 2019

Vinod Bhageria

Managing Director

DIN: 00540308

Rakesh Kachhadiya

Chief Financial Officer

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

(₹ in lakhs)

| Particulars | Note No. | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|---|----------|-----------------------------------|-----------------------------------|
| I Revenue | | | |
| Revenue from Operations | 27 | 46,240.96 | 37,331.04 |
| Other Income | 28 | 529.18 | 1,154.11 |
| Total Income | | 46,770.14 | 38,485.15 |
| II Expenses | | | |
| Cost of materials consumed | 29 | 26,905.14 | 19,887.69 |
| Purchase of Stock-in-Trade | 30 | 185.39 | 1,840.89 |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 31 | 45.32 | 85.15 |
| Employee Benefits Expenses | 32 | 1,346.23 | 1,279.13 |
| Finance Costs | 33 | 380.49 | 604.76 |
| Depreciation and Amortization Expenses | 34 | 2,218.43 | 2,288.32 |
| Excise Duty | | - | 646.43 |
| Other Expenses | 35 | 5,268.04 | 5,612.50 |
| Total Expenses | | 36,349.04 | 32,244.87 |
| III Profit before tax (I- II) | | 10,421.10 | 6,240.28 |
| IV Less: Tax Expense: | | | |
| Current Tax | | 3,404.37 | 1,328.43 |
| MAT Credit Entitlement | | - | (647.07) |
| Deferred Tax Charged / (Credited) | 21 | (133.25) | 1,523.44 |
| (Excess) / Short Provision for tax | | (0.66) | 1.58 |
| Total Tax Expense | | 3,270.46 | 2,206.38 |
| V Profit for the Year (III-IV) | | 7,150.64 | 4,033.90 |
| VI Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Re-measurement gains/ (losses) on defined benefit obligations | | (13.82) | (11.24) |
| Tax Effect on above | | 4.83 | 3.89 |
| Other Comprehensive Income for the year, net of tax | | (8.99) | (7.35) |
| VII Total Comprehensive Income for the year (V+VI) | | 7,141.65 | 4,026.55 |
| VIII Earnings Per Equity Share (Face Value ₹5 Per Share): | 36 | | |
| Basic and Diluted (₹) | | 32.73 | 18.45 |
| Summary of Significant Accounting Policies | 2-3 | | |

The notes referred to above are an integral part of the financial statements

For MRB & Associates

Chartered Accountants
FRN : 136306W

Manish R Bohra

Proprietor
Membership No. 058431
Place : Mumbai
Date : May 29, 2019

For and on behalf of the Board of Directors

Suresh Bhageria

Chairperson
DIN: 00540285

Ketan Gaur

Company Secretary
Membership No.50087
Place : Mumbai
Date : May 29, 2019

Vinod Bhageria

Managing Director
DIN: 00540308

Rakesh Kachhadiya

Chief Financial Officer

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

A. Equity Share Capital (Equity shares of ₹ 5 each issued, subscribed and fully paid)

(₹ in lakhs)

| Particulars | Note No. | No. of Shares | Amount |
|--|----------|--------------------|-----------------|
| Balance as at April 1, 2017 | | 1,58,79,560 | 793.98 |
| Changes in equity share capital during the year 2017-18 | | - | - |
| Balance as at March 31, 2018 | 17 | 1,58,79,560 | 793.98 |
| Changes in equity share capital during the year 2018-19 | | | |
| Add : Allotment of shares on account of Business Combination | | 59,42,530 | 297.13 |
| Balance as at March 31, 2019 | | 2,18,22,090 | 1,091.10 |

B. Other Equity

(₹ in lakhs)

| Particulars | Note No. | Reserve and Surplus | | | | | Total Other Equity |
|---|----------|--|------------------|--------------------|-----------------|-------------------|--------------------|
| | | Pending for allotment on account of Business Combination | Capital Reserve | Securities Premium | General Reserve | Retained Earnings | |
| Balance as at April 1, 2017 | | 297.13 | 14,068.69 | 1,091.61 | 440.10 | 9,771.97 | 25,669.50 |
| Total Comprehensive income for the year | | | | | | | |
| Profit for the year | | - | - | - | - | 4,033.90 | 4,033.90 |
| Other Comprehensive Income | | - | - | - | - | (7.35) | (7.35) |
| Final Dividend (Including Corporate Dividend Tax) | | - | - | - | - | (958.40) | (958.40) |
| Balance as at March 31, 2018 | | 297.13 | 14,068.69 | 1,091.61 | 440.10 | 12,840.13 | 28,737.66 |
| Total Comprehensive income for the year | | | | | | | |
| Profit for the year | 18 | - | - | - | - | 7,150.64 | 7,150.64 |
| Other Comprehensive Income | | - | - | - | - | (8.99) | (8.99) |
| Less : Allotment of shares on account of Business Combination | | (297.13) | - | - | - | - | (297.13) |
| Interim Dividend (Including Corporate Dividend Tax) | | - | - | - | - | (986.55) | (986.55) |
| Final Dividend (Including Corporate Dividend Tax) | | - | - | - | - | (1,446.94) | (1,446.94) |
| Balance as at March 31, 2019 | | - | 14,068.69 | 1,091.61 | 440.10 | 17,548.29 | 33,148.70 |

The notes referred to above are an integral part of the financial statements

For MRB & Associates

Chartered Accountants

FRN : 136306W

Manish R Bohra

Proprietor

Membership No. 058431

Place : Mumbai

Date : May 29, 2019

For and on behalf of the Board of Directors

Suresh Bhageria

Chairperson

DIN: 00540285

Ketan Gaur

Company Secretary

Membership No.50087

Place : Mumbai

Date : May 29, 2019

Vinod Bhageria

Managing Director

DIN: 00540308

Rakesh Kachhadiya

Chief Financial Officer

Cash Flow Statement

for the year ended March 31, 2019

(₹ in lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| A. Cash Flow from Operating Activities | | |
| Net Profit Before Tax | 10,421.10 | 6,240.28 |
| Adjustments: | | |
| Depreciation and Amortization of Property, Plant and Equipment | 2,218.43 | 2,288.32 |
| Loss/ (Profit) on Sale of property, plant and equipment (net) | 3.95 | - |
| Interest Income | (195.60) | (513.51) |
| Exchange Fluctuation (Gain)/ Loss on Loan | 161.64 | 4.11 |
| Net (gains) / loss arising on financial assets measured at FVTPL | 3.12 | 22.21 |
| Profit on Sale of Current Investment | (51.01) | (221.83) |
| Dividend Income | (0.02) | (2.31) |
| Re-measurement gains/ (losses) on defined benefit obligations (net of tax) | (8.99) | (7.35) |
| Finance Costs (Including Fair Value Change in Financial Instruments) | 380.49 | 604.76 |
| Operating cash flows before working capital changes | 12,933.12 | 8,414.69 |
| Adjustments for Changes in Working Capital | | |
| Decrease/ (Increase) in Inventories | 1,231.51 | (720.00) |
| Decrease/ (Increase) in Trade receivables | 2,405.45 | (3,515.83) |
| Decrease/ (Increase) in Non-Current Financial Assets - Others | (36.52) | (76.28) |
| Decrease/ (Increase) in Financial Assets - Other | (98.48) | (390.08) |
| Decrease/ (Increase) in Other Current Assets | 582.18 | (231.13) |
| Increase/ (Decrease) in Trade Payables | (1,280.36) | 1,839.21 |
| Increase/ (Decrease) in Current Financial Liabilities - Other | (228.24) | 119.05 |
| Increase/ (Decrease) in Other Current Liabilities | 430.98 | (165.51) |
| Increase/ (Decrease) in Non-Current Provisions | 45.95 | 18.59 |
| Increase/ (Decrease) in Current Provisions | 1.82 | 1.56 |
| Cash generated from operations | 15,987.41 | 5,294.27 |
| Income taxes paid (net of refund) | (2,291.41) | (1,340.97) |
| Net cash flow from operating activities (A) | 13,696.00 | 3,953.30 |
| B. Cash Flow from Investing Activities | | |
| Purchase or Construction of Property, Plant and Equipment (including capital work-in-progress and capital advances) | (2,869.98) | (7,450.20) |
| Proceeds from/ (Investment in) fixed deposits (net) | (1,480.71) | 7,017.41 |
| Decrease/ (Increase) in Non-Current Investments | 6.80 | 138.85 |
| Sale of Property, Plant and Equipment | 2.50 | - |
| Proceeds from Sale of Investment | (817.98) | 2,852.57 |
| Interest Received | 195.60 | 513.51 |
| Dividend Received | 0.02 | 2.31 |
| Net cash flow from/ (used in) investing activities (B) | (4,963.76) | 3,074.45 |

Cash Flow Statement for the year ended March 31, 2019

(₹ in lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| C. Cash Flow from Financing Activities | | |
| Dividend (Including Corporate Dividend Tax) | (2,433.49) | (958.40) |
| Proceeds from/ (Repayment of) Non-Current Borrowings (net) | (1,122.42) | 534.99 |
| Increase / (Decrease) in Current Borrowings | (4,930.32) | (6,678.43) |
| Finance Costs | (340.15) | (560.25) |
| Net cash flow from financing activities (C) | (8,826.37) | (7,662.09) |
| Net cash Increase/(decrease) in cash and cash equivalents (A+B+C) | (94.13) | (634.34) |
| Cash and cash equivalents at the beginning of the year (Refer Note 12) | 582.37 | 1,216.71 |
| Cash and cash equivalents at the end of the year (Refer Note 12) | 488.24 | 582.37 |

The notes referred to above are an integral part of the financial statements.

For MRB & Associates

Chartered Accountants
FRN : 136306W

Manish R Bohra

Proprietor
Membership No. 058431
Place : Mumbai
Date : May 29, 2019

For and on behalf of the Board of Directors

Suresh Bhageria

Chairperson
DIN: 00540285

Ketan Gaur

Company Secretary
Membership No.50087
Place : Mumbai
Date : May 29, 2019

Vinod Bhageria

Managing Director
DIN: 00540308

Rakesh Kachhadiya

Chief Financial Officer

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

Note 1: Company Overview

Bhageria Industries Limited is a public limited company domiciled in India having its registered office at 1002, 10th Floor, Topiwala Centre, Off. S.V. Road, Near Goregaon Railway Station, Goregaon (West), Mumbai – 400062. The Company was incorporated on July 12, 1989 under the provision of the Companies Act, 1956. The Company is engaged in manufacturing of Dyes & Dyes Intermediate and generation and distribution of solar power. The equity shares of the Company are listed on the National Stock Exchange of India Limited and BSE Limited.

Note 2: Summary of Significant Accounting Policies

1. Statement of Compliance

The financial statements of the company have been prepared in accordance with Indian Accounting Standards ("Ind-AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

2. Basis of Measurement

The financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities (including financial instruments) which have been measured at fair value at the end of each reporting period as explained in the accounting policies stated below.

3. Current versus non-current classification

The Company has classified all its assets and liabilities under current and non-current as required by Ind AS 1- Presentation of Financial Statements.

The 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 purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- 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 treated as current when:

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

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisations in cash and cash equivalents. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

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

4. Use of Estimates, Judgments and Assumptions

The preparation of the financial statements in conformity with Ind-AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 3 below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

5. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment including excise duty collected which flows to the Company on its own account but excluding taxes or duties collected on behalf of the government.

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

Revenue from contracts with customers Ind AS 115 establishes a single comprehensive model for entities to use in accounting

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

for revenue arising from contracts with customers. Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied i.e. when control of the goods and service underlying the particular performance obligation is transferred to the customer.

There is no significant impact of the adoption of the standard on the financial statements of the Company.

The Company follows specific recognition criteria as described below before the revenue is recognized.

- **Sale of goods**

- Revenue from sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of goods, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.
- Revenue is measured at the fair value of the consideration received or receivable. The amount recognized as revenue is exclusive of Service Tax, Value Added Taxes (VAT), and Goods and Service Tax (GST) and is net of discounts.

- **Other Operating Revenue**

- Other Operating revenue comprises of following items:
 - Revenue from solar power
 - Job work income
 - Duty drawback and other export incentives
- Revenue from manufacturing charges is recognized on completion of contractual obligation of manufacturing and delivery of product manufactured.
- Revenue from export incentives are recognized upon adherence to the compliances as may be prescribed with regard to export and / or realization of export proceeds as per foreign trade policy and its related guidelines.
- Revenue from sale of scrap is recognized on delivery of scrap items.

- **Other Income**

- Other income comprises of interest income, rent income, dividend from investment and profits on redemption of investments.
- Interest income from financial assets is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can

be measured reliably. Interest income is accrued on time basis by reference to the principal outstanding and at the effective rate applicable, which is the rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

- Dividend income from investment is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably).
- Profit on redemption of investment is recognized by upon exercise of power by the company to redeem the investment held in any particular security / instrument (non-current as well as current investment).

6. Foreign Currency-Transactions and Balances

The Company's functional currency is Indian Rupee and accordingly, the financial statements are presented in Indian Rupee.

Transactions in foreign currencies are initially recorded by the company in functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting period. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognized in the Statement of Profit and Loss except exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of that item (i.e. translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

7. Employee Benefits

- **Short-term obligations**

Liabilities for wages and salaries, including non-monetary

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

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 recognised in respect of employee's services up to the end of the reporting period and are measured at the undiscounted amounts of the benefits expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

- **Other Long-term employee benefit obligations**

The liabilities for compensated absences (annual leave) which are not expected to be settled wholly within 12 months after the end of the period in which the employee render the related service are presented as non-current employee benefits obligations. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations. Re-measurements as a result of experience adjustments and changes in actuarial assumptions (i.e. actuarial losses/ gains) are recognised in the Statement of Profit and Loss.

The obligations are presented as current in the balance sheet, if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Regardless of when the actual settlement is expected to occur.

- **Post-employment obligations**

The Company operates the following post-employment schemes:

- I. Defined benefit plans such as gratuity
- II. Defined contribution plans such as provident fund.

- I. **Defined benefit plan - Gratuity Obligations**

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is actuarially determined using the Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have a terms approximating to the terms of the obligation. The net interest cost, calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets, is recognised as employee benefit expenses in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income in the year in which they arise and are not subsequently reclassified to Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

- II. **Defined Contribution Plan**

The Company pays provident fund contributions to publicly administered provident funds as per local regulatory authorities. The Company has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

8. Tax Expenses

The tax expense for the period comprises current and deferred tax. Taxes are recognised in the statement of profit and loss, except to the extent that it relates to the items recognised in the comprehensive income or in Equity. In which case, the tax is also recognised in the comprehensive income or in Equity.

- **Current tax:**

Current tax payable is calculated based on taxable profit for the year. Current tax is recognized based on the amount expected to be paid to or recovered from the tax authorities based on applicable tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

- **Deferred tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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

Deferred tax liabilities are generally recognized for all taxable temporary timing difference. Deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted 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.

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 liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted on the reporting date. Current and deferred tax for the year are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

- **Minimum Alternate Tax (MAT) Credit:**

MAT credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

9. Property, Plant and Equipment

Land is carried at historical cost. All other items of property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. All other repairs and maintenance costs are recognized as expense in the statement of profit and loss account as and when incurred.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work- in- Progress.

Cost of the assets less its residual value (estimated at 5% of the cost) is depreciated over its useful life. Depreciation is calculated on written down basis over the useful life of the

assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on additions/ deletions to fixed assets is calculated pro-rata from/ up to the date of such additions/ deletions.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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

The management believes that the estimated useful lives are realistic and reflects fair approximation of the period over which the assets are likely to be used. At each financial year end, management reviews the residual values, useful lives and method of depreciation of property, plant and equipment and values of the same are adjusted prospectively where needed.

10. Investment Properties

Investment properties are properties that is held for long-term rentals yields or for capital appreciation (including property under construction for such purposes) or both, and that is not occupied by the Company, is classified as investment property.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated impairment loss, if any.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes.

Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

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

11. Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying

Notes to the Financial Statements

for the year ended March 31, 2019

assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

12. Impairment of Non-Financial Assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

13. Inventories

Inventories are valued at lower of cost on First-In-First-Out (FIFO) or net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory is determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

14. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the company has present obligation (legal or constructive) as a result of past event and it is probable that 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. The expense related to a provision is presented in the statement of profit and loss net of any reimbursement/contribution towards provision made.

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

Contingent Liability:

Contingent liability is disclosed in the case;

- When there is a possible obligation which could arise from past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or;
- A present obligation that arises from past events but is not recognized as expense because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or;
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent asset:

Contingent asset is disclosed in case a possible asset arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

15. Leases

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

The determination of whether an arrangement is a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is considered as a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

16. Financial Instruments

The Company recognizes financial assets and financial liabilities when it becomes party to the contractual provision of the instrument.

Part I - Financial Assets

Initial recognition and measurement

Financial assets are initially measured at its fair value. Transaction costs that are directly attributable to the

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

acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the concerned Financial assets, as appropriate, on initial recognition.

Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognized immediately in profit or loss. However, trade receivable that do not contain a significant financing component are measured at transaction price.

- **Subsequent measurement**

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

- Financial Assets at amortized cost
- Financial Assets at FVTOCI (Fair Value through Other Comprehensive Income)
- Financial Assets at FVTPL (Fair Value through Profit or Loss)
- **Financial Assets at amortized cost:**
A Financial Assets is measured at the 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.

This category is the most relevant to the Company. 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 finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

- **Financial Assets at FVTOCI (Fair Value through Other Comprehensive Income) :**
A Financial Assets is classified as at the FVTOCI if following criteria are met:

The objective of the business model is achieved both by collecting contractual cash flows (i.e. SPPI) and selling the financial assets.

Financial 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 and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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

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

In addition, the Company may elect to designate a financial 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 not designated any financial instrument as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

- **Other Equity Investments:**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss.

- **De-recognition:**

A financial asset is primarily derecognized when rights to receive cash flows from the asset have expired or the Company has transferred its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risk and reward of the ownership of the financial asset.

- **Impairment of financial assets:**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss'(ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from

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

all possible default events over the expected life of a financial asset. 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting date.

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

Part II - Financial Liabilities

• Initial recognition and measurement

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

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

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

• 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 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 recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss is designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

➤ Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortization process.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

➤ Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

• De-recognition:

A financial liability is de-recognised 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,

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

such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or 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 recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Part-III Fair Value Measurement:

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 - inputs that are unobservable for the asset or liability

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

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

17. 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 from the date of acquisition, which are subject to an insignificant risk of changes in value.

18. Business Combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred;

- Liabilities incurred to the former owners of the acquired business;
- Equity interest issued by the group; and
- Fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- Consideration transferred;
- Amount of any non-controlling interest in the acquired entity; and
- Acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Business Combination involving entities or business under common control shall be accounted for using the pooling of interest method.

19. Cash Flow Statements:

Cash flows are reported using the indirect method, whereby net profit before tax 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 flow from operating, investing and financing activities of Company is segregated.

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

20. Derivative Financial Instruments And Hedge Accounting

Initial recognition and subsequent measurement:

Company uses derivative financial instruments such as forward currency contracts to mitigate its foreign currency fluctuation risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of heading instrument is recognized in the Statement of Profit or Loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

21. Earnings Per Share

Basic Earnings per Share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after Income Tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- Weighted average number of equity shares that would have been outstanding assuming the conversion of all the dilutive potential equity.

22. Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

23. Segment Reporting

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

Note 3: Key Accounting Judgements, Estimates & Assumptions

The preparation of the Company's financial statements requires the management to make judgments, 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. 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:

A. Income taxes and Deferred tax assets:

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The management assumes that taxable profit will be available while recognizing the deferred tax assets.

B. Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life as prescribed in the Schedule II of the Companies Act, 2013 and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

C. 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, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU'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 a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

D. Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

E. Recognition and measurement of defined benefit obligation:

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

F. Recognition and measurement of other provisions:

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

G. Contingencies:

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

H. Allowances for uncollected trade receivable and advances:

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated amounts which are irrecoverable. Individual trade receivables are written off when management deems them not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

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

Note 4 : Property, Plant and Equipment

(₹ in lakhs)

| Particulars | Leasehold Land | Freehold Land | Residential Building | Godown | Factory Building | Boundary Wall | Safety & Lab Equipments | Plant & Machinery | E.T.P | Generator | Solar Power Plant | Furniture & Fixtures | Vehicles | Office Equipment | Computer | Total | Capital Work-in Progress |
|---|-----------------|---------------|----------------------|-------------|------------------|---------------|-------------------------|-------------------|---------------|-------------|-------------------|----------------------|---------------|------------------|--------------|------------------|--------------------------|
| Gross Carrying Amount as at April 1, 2017 | 8,077.16 | 681.45 | 1.44 | 6.06 | 2,092.98 | 22.00 | 7.98 | 1,959.87 | 771.26 | 0.52 | 14,841.47 | 96.79 | 89.02 | 28.11 | 38.01 | 28,714.13 | 1,816.02 |
| Additions / Transfer | - | 138.84 | - | - | - | - | - | 50.02 | - | - | 4,968.07 | 148.42 | - | 2.98 | 0.52 | 5,308.85 | (1,381.60) |
| Disposals | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2018 | 8,077.16 | 820.29 | 1.44 | 6.06 | 2,092.98 | 22.00 | 7.98 | 2,009.89 | 771.26 | 0.52 | 19,809.54 | 245.21 | 89.02 | 31.09 | 38.53 | 34,022.98 | 434.42 |
| Additions / Transfer | - | 78.86 | 108.79 | - | - | 364.87 | 1.20 | 241.72 | - | - | - | 62.47 | 109.41 | 7.76 | 1.92 | 977.00 | 1,075.07 |
| Disposals | - | - | - | - | - | - | - | - | - | - | - | - | (27.03) | - | - | (27.03) | - |
| As at March 31, 2019 | 8,077.16 | 899.16 | 110.23 | 6.06 | 2,092.98 | 386.87 | 9.18 | 2,251.60 | 771.26 | 0.52 | 19,809.54 | 307.68 | 171.40 | 38.85 | 40.45 | 34,972.94 | 1,509.49 |
| Accumulated depreciation as at April 1, 2017 | 3.25 | - | 0.80 | 4.05 | 126.84 | 4.96 | 6.66 | 894.93 | 386.02 | 0.52 | 422.80 | 73.17 | 67.84 | 18.94 | 32.46 | 2,043.25 | - |
| Depreciation charge during the year | 0.14 | - | 0.04 | 0.31 | 115.33 | 7.68 | - | 235.74 | 81.84 | - | 1,798.86 | 19.94 | 7.28 | 5.54 | 3.04 | 2,275.74 | - |
| Accumulated depreciation on deletions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2018 | 3.38 | - | 0.84 | 4.36 | 242.17 | 12.64 | 6.66 | 1,130.67 | 467.86 | 0.52 | 2,221.67 | 93.11 | 75.12 | 24.48 | 35.50 | 4,318.99 | - |
| Depreciation charged during the year | - | - | 0.10 | 0.26 | 108.23 | 40.71 | 0.26 | 206.17 | 64.06 | - | 1,721.14 | 40.58 | 18.90 | 4.02 | 2.11 | 2,206.54 | - |
| Accumulated depreciation on deletions | - | - | - | - | - | - | - | - | - | - | - | - | (20.58) | - | - | (20.58) | - |
| As at March 31, 2019 | 3.38 | - | 0.93 | 4.62 | 350.40 | 53.35 | 6.93 | 1,336.84 | 531.92 | 0.52 | 3,942.80 | 133.69 | 73.45 | 28.50 | 37.60 | 6,504.95 | - |
| Net carrying amount as at March 31, 2019 | 8,073.78 | 899.16 | 109.29 | 1.44 | 1,742.59 | 333.52 | 2.26 | 914.76 | 239.34 | 0.00 | 15,866.74 | 173.99 | 97.95 | 10.35 | 2.85 | 28,468.02 | 1,509.49 |
| Net carrying amount as at March 31, 2018 | 8,073.77 | 820.29 | 0.60 | 1.70 | 1,850.82 | 9.36 | 1.32 | 879.20 | 303.39 | 0.00 | 17,587.87 | 152.11 | 13.89 | 6.61 | 3.04 | 29,703.98 | 434.42 |

- Capital Work-in Progress as at March 31, 2019 comprises of expenditure on Sulphuric Acid Plant at Tarapur, Boisar and Rotary Clean Plant (Salt Recovery Plant) at Tarapur and Vapi. It also comprises of Water Pond at Khombhalne, Ahmednagar.
- No depreciation has been claimed on assets, to the extent of input credit claimed.
- There are no adjustments to the Gross Block on account of Foreign Exchange Fluctuations or borrowing costs.

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

Note 5 : Investment Property

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| Gross Carrying Amount | | |
| Opening gross carrying amount | 257.87 | 257.87 |
| Additions in account of business combination | - | - |
| Closing gross carrying amount | 257.87 | 257.87 |
| Accumulated Depreciation | | |
| Opening accumulated depreciation | 36.54 | 23.96 |
| Depreciation charged for the year | 11.89 | 12.58 |
| Closing accumulated depreciation | 48.43 | 36.54 |
| Net carrying amount | 209.44 | 221.33 |

Notes:

- The Investment Property consist of offices situated at Goregaon, Mumbai.
- Net revenue recognised in the statement of profit and loss for the above investment properties is Profit of ₹ 0.02 lakhs (P.Y. Loss of ₹2.28 lakhs) during the financial year ended March 31, 2019 and March 31, 2018 respectively.

- Disclosure for Fair Value

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---------------------|-------------------------|-------------------------|
| Investment Property | 431.80 | 431.80 |

- Description of valuation techniques used and key inputs to valuation on investment properties.

The Company obtains independent valuations for its investment properties at reasonable interval. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company considers information from a variety of sources including:

- Current prices in an active market for investment properties of different nature or recent prices of similar investment properties in less active markets, adjusted to reflect those differences.
- Discounted cash flow projections based on reliable estimates of future cash flows.
- Capitalised income projections based upon a estimated net market income from investment properties and a capitalisation rate derived from an analysis of market evidence.

The fair values of investment properties have been determined by reputed third party and independent valuers. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 2.

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

Note 6 : Non-Current Financial Assets - Investments

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| - Quoted Equity Instruments | | |
| Investments carried at fair value through profit or loss | | |
| 6,500 (March 31, 2018: 6,500) Equity Shares of Kisan Mouldings Limited of ₹ 10 each fully paid up | 2.95 | 9.97 |
| - Unquoted Equity Instruments | | |
| Investments carried at fair value through profit or loss | | |
| 200 (March 31, 2018 : 200) Equity Shares of The Thane Janta Sahakari Bank Limited of ₹ 50 each fully paid up | 0.94 | 0.72 |
| Investments carried at Cost | | |
| 43,061 (March 31, 2018 : 43,061) Equity Shares of The Tarapur Environmental Protection Society of ₹ 100 each fully paid up | 43.06 | 43.06 |
| | 46.95 | 53.75 |
| Aggregate amount of quoted investments -At Cost | 2.60 | 2.60 |
| Aggregate amount of quoted investments -At Market Value | 2.95 | 9.97 |
| Aggregate amount of unquoted investments -At Cost | 43.16 | 43.16 |
| Aggregate amount of unquoted investments -At Market Value | 44.00 | 43.78 |
| Category-wise Non current investment | | |
| Financial assets measured at fair value through profit & loss | 3.89 | 10.69 |
| Financial assets carried at amortised cost | 43.06 | 43.06 |
| Total | 46.95 | 53.75 |

Note 7 : Non-Current Financial Assets - Others

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Carried at amortised cost | | |
| Telephone Deposit | 0.49 | 0.49 |
| Electricity Deposit | 189.50 | 136.38 |
| Rent Deposit | 4.40 | 6.15 |
| Other Security Deposits | 11.45 | 26.30 |
| Fixed Deposit - For more than twelve month* | 1,105.98 | - |
| [*₹55.98 lakhs under lien against bank guarantee and loans from banks] | | |
| Total | 1,311.83 | 169.32 |

Note 8 : Other Non-Current Assets

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|------------------|-------------------------|-------------------------|
| Capital Advances | 645.76 | 298.28 |
| Total | 645.76 | 298.28 |

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

Note 9 : Inventories

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---------------------------|-------------------------|-------------------------|
| Raw Materials | 1,118.97 | 2,286.30 |
| Goods-in-transit /at port | 3.55 | 75.54 |
| Work-in-process | 324.72 | 165.71 |
| Finished Goods | 305.45 | 509.78 |
| Stock-in-trade | 6.17 | 6.17 |
| Power and Fuel | 82.41 | 57.35 |
| Stores and Spares | 30.17 | 2.11 |
| Total | 1,871.45 | 3,102.96 |

Note 10 : Current Financial Assets - Investments

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| - Quoted Mutual Fund Instruments | | |
| Investments carried at fair value through profit or loss | | |
| 35373.867 unit (as at March 31, 2018: 3211.15) of Liquid fund of DSP Mutual Fund | 945.68 | 79.81 |
| Total | 945.68 | 79.81 |
| Aggregate amount of quoted investments -At Cost | 942.00 | 79.05 |
| Aggregate amount of quoted investments -At Market Value | 945.68 | 79.81 |

Note 11 : Current Financial Assets - Trade Receivables

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| Trade receivables | 6,331.64 | 8,444.07 |
| Receivables from related parties (refer note 47) | - | 293.02 |
| Less: Allowance for doubtful trade receivables | - | - |
| Total Receivables | 6,331.64 | 8,737.09 |
| Current Portion | 6,331.64 | 8,737.09 |
| Non - Current Portion | - | - |

Break-up of security details

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| Trade receivables -Secured, considered good | 667.55 | - |
| Trade receivables -Unsecured, considered good | 5,664.09 | 8,737.09 |
| Trade Receivables which have significant increase in credit risk | - | - |
| Trade Receivables - Credit Impaired | - | - |
| Less: Allowance for doubtful trade receivables | - | - |
| Total | 6,331.64 | 8,737.09 |

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

Note 12 : Current Financial Assets - Cash and Cash Equivalents

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| Bank Balances | | |
| - In current accounts | 312.42 | 579.58 |
| - In fixed deposits with maturity of less than 3 months* | 173.61 | - |
| Cash in Hand | 2.21 | 2.79 |
| Total | 488.24 | 582.37 |

*₹ 67.09 lakhs lien against bank guarantee and loan arrangements from Bank

Note 13 : Current Financial Assets - Other Bank Balances

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|-------------------------|-------------------------|
| Fixed Deposits with maturity period of more than 3 months but less than 12 months (include accrued interest)* | 3,027.19 | 2,666.79 |
| Unpaid Dividend Account** | 65.61 | 51.28 |
| Total | 3,092.80 | 2,718.07 |

*₹ 36.11 lakhs lien against bank guarantee and loan arrangements from Bank

** The amount is to be utilised towards settlement of respective unpaid dividends.

Note 14 : Current Financial Assets - Others

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Duty Drawback Receivable | 15.00 | 43.47 |
| Incentive Licenses | 94.72 | 2.41 |
| Foreign Currency Forward Contracts Receivable | 34.64 | - |
| Security Deposit with Solar Energy Corporation of India (SECI) | 300.00 | 300.00 |
| Total | 444.36 | 345.88 |

Note 15 : Current Tax Assets (net)

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|-------------------------|-------------------------|
| MAT Credit Entitlement | 854.35 | 2,018.58 |
| Income Tax Refund | 89.39 | 38.88 |
| Taxes Paid (incl. Tax Deducted at Source) | 2,290.09 | 1,332.81 |
| Less : Provision for Income Taxes | (2,240.14) | (1,279.43) |
| Total | 993.69 | 2,110.84 |

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

Note 15 : Current Tax Assets (net) (contd.)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:

(₹ in lakhs)

| Particulars | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
|--|------------------------------|------------------------------|
| Accounting profit before tax from continuing operations | 10,421.10 | 6,240.28 |
| Tax at income tax at the rate of 34.944% (March 31, 2018: 34.608%) | 3,641.55 | 2,159.64 |
| Tax effect of : | | |
| Difference in Depreciation and Amortisation | 53.53 | (1,557.85) |
| Income exempt from tax/items not deductible. | (290.71) | 79.57 |
| Income tax expense reported in the statement of Profit and Loss. | 3,404.37 | 681.36 |
| Tax adjustment for earlier year | (0.66) | 1.58 |
| Deferred Tax Expense Reported in the statement of Profit and Loss | (133.25) | 1,523.44 |
| | 3,270.46 | 2,206.38 |

Note 16 : Other Current Assets

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---------------------------------------|-------------------------|-------------------------|
| Advances other than Capital Advances: | | |
| Advance Payment to Vendors | 16.48 | 20.15 |
| Advance Payment to Employees | 19.88 | 10.74 |
| Balance with Government Authorities: | | |
| - Cenvat Credit Receivables | 19.17 | 30.19 |
| - Vat Refund Receivables | 103.08 | 118.45 |
| - GST Refund Receivables | 166.66 | 726.35 |
| Prepaid Expenses | 27.37 | 28.94 |
| Total | 352.64 | 934.82 |

Note 17 : Equity Share Capital

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|-------------------------|-------------------------|
| Authorised Capital | | |
| 2,80,00,000 (March 31, 2018: 2,80,00,000) Equity Shares of ₹ 5 each | 1,400.00 | 1,400.00 |
| Total | 1,400.00 | 1,400.00 |
| Issued, Subscribed and Paid up Capital | | |
| 2,18,22,090 (March 31, 2018: 1,58,79,560) Equity Shares of ₹ 5 each fully paid up | 1,091.10 | 793.98 |
| Total | 1,091.10 | 793.98 |

(a) Terms / rights attached to:

Equity Shares

The Company has only one class of Equity Shares having par value of ₹5/- each. (p.y. equity shares of ₹5/-each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amount to various stakeholders of the company.

Dividend

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

Note 17 : Equity Share Capital (contd.)

(b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting year.

Equity Shares:

| Particulars | Year Ended March 31, 2019 | | Year Ended March 31, 2018 | |
|---|---------------------------|---------------------|---------------------------|---------------------|
| | Number of shares | Amount (₹ in lakhs) | Number of shares | Amount (₹ in lakhs) |
| Balance as at beginning of the year | 1,58,79,560 | 793.98 | 1,58,79,560 | 793.98 |
| Add : Allotment of shares on account of Business Combination [^] | 59,42,530 | 297.13 | - | - |
| Balance as at end of the year | 2,18,22,090 | 1,091.10 | 1,58,79,560 | 793.98 |

Note : [^]59,42,530 Equity Shares of ₹5/- each fully paid allotted on May 19, 2018 to Equity Shareholders of Nipur Chemicals Limited in pursuant to the Scheme of Amalgamation sanctioned by Honourable National Company Law Tribunal, Mumbai Bench on April 5, 2018.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

*Before cancellation and pending allotment of shares to shareholders of Nipur Chemicals Limited

| Shares held by | As at March 31, 2019 | | As at March 31, 2018* | |
|-----------------------------------|----------------------|--------|-----------------------|--------|
| | Number of shares | % | Number of shares | % |
| Equity shares with voting rights | | | | |
| Bhageria Trade Invest Pvt. Ltd. | 32,55,265 | 14.92% | 23,00,599 | 14.45% |
| Suresh Kumar Keshavdeo Bhageria | 19,76,347 | 9.06% | 11,07,026 | 6.95% |
| Akashdeep International Pvt. Ltd. | 19,84,186 | 9.09% | # | # |
| Futurage Corporate Care Pvt. Ltd. | # | # | 9,62,894 | 6.05% |
| Prism Scan Express Pvt Ltd | # | # | 9,78,595 | 6.14% |
| Rakesh Niranjana Bhageria | # | # | 8,11,901 | 5.10% |
| Deepak Vishwambharlal Bhageria | 11,98,637 | 5.49% | 8,36,352 | 5.25% |

Less than 5%

d) Shares issued during the last five years for consideration other than cash

| Particulars | Year (Aggregate No. of Shares) | | | | | |
|--|--------------------------------|---------|---------|-----------|-----------|---------|
| | 2018-19 | 2017-18 | 2016-17 | 2015-2016 | 2014-2015 | 2013-14 |
| Equity Shares : | | | | | | |
| Fully paid up pursuant to contract(s) without payment being received in cash | 59,42,530 | - | - | - | - | - |
| Fully paid up by way of bonus shares | - | - | - | - | - | - |
| Shares bought back | - | - | - | - | - | - |

(e) The Company is a standalone company and does not have any holding company.

Note 18 : Other Equity

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| (i) Pending for allotment on account of Business Combination | - | 297.13 |
| (ii) Securities Premium | 1,091.61 | 1,091.61 |
| (iii) Capital Reserve | 14,068.69 | 14,068.69 |
| (iv) General Reserve | 440.10 | 440.10 |
| (v) Retained Earnings | 17,548.29 | 12,840.13 |
| Total | 33,148.70 | 28,737.66 |

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

Note 18 : Other Equity (contd.)

(i) Pending for allotment on account of Business Combination :

(₹ in lakhs)

| Particulars | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
|--|------------------------------|------------------------------|
| Balance as at beginning of the year | 297.13 | 297.13 |
| Less : Allotment of Shares on account of Business Combination [^] | (297.13) | - |
| Balance as at end of the year | - | 297.13 |

Note : [^]59,42,530 Equity Shares of ₹5/- each fully paid allotted on May 19, 2018 to Equity Shareholders of Nipur Chemicals Limited in pursuant to the Scheme of Amalgamation sanctioned by Honourable National Company Law Tribunal, Mumbai Bench on April 5, 2018.

(ii) Securities Premium :

(₹ in lakhs)

| Particulars | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
|---------------------------------------|------------------------------|------------------------------|
| Balance as at beginning of the year | 1,091.61 | 1,091.61 |
| Less: Amount utilised during the year | - | - |
| Balance as at end of the year | 1,091.61 | 1,091.61 |

(iii) Capital Reserve:

(₹ in lakhs)

| Particulars | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
|--------------------------------------|------------------------------|------------------------------|
| Balance as at beginning of the year | 14,068.69 | 14,068.69 |
| Add : Additions during the year | - | - |
| Balance as at end of the year | 14,068.69 | 14,068.69 |

(iv) General Reserve:

(₹ in lakhs)

| Particulars | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
|--------------------------------------|------------------------------|------------------------------|
| Balance as at beginning of the year | 440.10 | 440.10 |
| Less: Utilised during the year | - | - |
| Balance as at end of the year | 440.10 | 440.10 |

(v) Retained Earnings:

(₹ in lakhs)

| Particulars | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
|---|------------------------------|------------------------------|
| Balance as at beginning of the year | 12,840.13 | 9,771.97 |
| Add: Profit for the year | 7,150.64 | 4,033.90 |
| Add: Items of Other Comprehensive Income recognised directly in Retained Earnings | | |
| Re-measurement gains/ (losses) on defined benefit obligations (net of tax) | (8.99) | (7.35) |
| Less: Utilised for Interim Dividend (Including Corporate Dividend Tax) | (986.55) | - |
| Less: Utilised for Final Dividend (Including Corporate Dividend Tax) | (1,446.94) | (958.40) |
| Balance as at end of the year | 17,548.29 | 12,840.13 |

NATURE AND PURPOSE OF RESERVES

- Capital Reserve : Capital Reserve is utilised in accordance with provision of the Act.
- Security Premium : Security Premium is used to record the premium on issue of shares. This reserve is utilised in accordance with the provision of the Act.
- General Reserve : The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provision of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.
- Retained Earnings : Retained earnings are the profit that the Company has earned till date, less any transfer to general reserve, dividend or other distributions paid to shareholders.

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

Note 19 : Non-Current Financial Liabilities - Borrowings

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-------------------------------------|-------------------------|-------------------------|
| Secured Term Loans* | | |
| Foreign Currency Term Loans from | | |
| - ICICI Bank | - | 376.18 |
| - Exim Bank | - | 544.26 |
| Total Non-Current Borrowings | - | 920.44 |

* Net of Current maturities of long-term debts and Interest accrued, which are included in Note 24

Note : Nature of security and terms of repayment for Secured Borrowings :

| Nature of Security | Terms of Repayment |
|---|--|
| Secured by first charge on 1 MWP rooftop solar power plant assets situated at Kancheepuram, Tamil Nadu and 4.88 MWP rooftop solar power plant assets situated at Chennai, Tamil Nadu. Also secured by project specific receivables and Personal Guarantees of some of the Directors of the company. | Term loan from ICICI Bank is repayable in equal quarterly installments between December 28, 2015 to December 28, 2022 along with interest of 3M USD LIBOR+325 bps per annum on reducing quarterly balance. The loan is fully repaid during the year. |
| Secured by first charge on 30 MW (AC) / 39 MW (DC) grid-connected solar PV power plant at Village: Kombhalane, Taluka: Akole, District: Ahmednagar, Maharashtra and exclusive charge on current assets of the company related to the project, both present and future and second charge on entire current assets of the Company, both present and future. | Term loan from Exim Bank is repayable in equal quarterly installments between May 2, 2018 to August 1, 2030 along with interest of 6M USD LIBOR+365 bps per annum on reducing quarterly balance. The loan is fully repaid during the year. |

Note 20 : Non-Current Provisions

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| Provision for Employee Benefits: | | |
| Provision for Gratuity (refer note 46) | 114.12 | 68.17 |
| Total | 114.12 | 68.17 |

Note 21 : Deferred Tax Liabilities (Net)

The major components of deferred tax Liabilities/ (Assets) as recognized in the financial statements are as follows:

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|-------------------------|-------------------------|
| Deferred Tax Liabilities/ (Assets) arising on account of timing differences in: | | |
| Property, Plant and Equipment - Depreciation | 5,059.00 | 5,165.73 |
| Gratuity | (42.29) | (24.99) |
| Financial Instruments - Borrowings | - | 13.96 |
| Changes in Fair Value of Investment | 1.76 | 1.84 |
| Deferred Tax Liabilities (net) | 5,018.47 | 5,156.54 |

Movement in Deferred Tax Liabilities/ (Assets)

(₹ in lakhs)

| Particulars | Depreciation | Gratuity | Changes in Fair Value of Investment | Borrowings | Total |
|-------------------------------|-----------------|----------------|--|------------|-----------------|
| As at March 31, 2018 | 5,165.73 | (24.99) | 1.84 | 13.96 | 5,156.54 |
| Charged/ (Credited): | | | | | |
| To Profit or Loss | (106.73) | (12.47) | (0.08) | (13.96) | (133.24) |
| To Other Comprehensive Income | - | (4.83) | - | - | (4.83) |
| As at March 31, 2019 | 5,059.00 | (42.29) | 1.76 | - | 5,018.47 |

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

Note 22 : Current Financial Liabilities - Borrowings

The major components of deferred tax Liabilities/ (Assets) as recognized in the financial statements are as follows: (₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-------------------------------------|-------------------------|-------------------------|
| Secured Loans (Repayable on demand) | | |
| Working Capital Loans from Banks | 2,349.47 | 3,407.67 |
| Short Term Loans | - | 1,500.00 |
| Buyer's Credit from Bank | - | 2,372.12 |
| Total | 2,349.47 | 7,279.79 |

Note:

These facilities are secured against the following charge on various assets of the Company :

1. Primary : Hypothecation charge on the entire current assets of the Company, both present & future.
2. Collateral : Extension of mortgage charge on factory land, building and plant & machinery situated at Vapi, Gujarat and Office premises situated at Goregaon, Maharashtra owned by the Company.
3. Buyer's Credit taken from bank against immovable and movable assets of 30 MW Solar Power Plant situated at Kombhale, Maharashtra. Exclusive charge on current assets of the company related to the project, both present and future and second charge on entire current assets of the Company, both present and future.
4. Personal Guarantees of some of the Directors of the company.
5. Short Term Loan Taken from Bank against Fixed Deposits.

Note 23 : Current Financial Liabilities - Trade Payables

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|-------------------------|-------------------------|
| Trade Payable | | |
| Total outstanding dues of micro enterprises and small enterprises | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprise | 3,942.87 | 5,223.23 |
| Total | 3,942.87 | 5,223.23 |

Note : Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

Note 24 : Current Financial Liabilities - Others

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| Current Maturities of Long-Term Debt : | | |
| Foreign Currency Term Loans from Banks | - | 151.14 |
| Interest Accrued | 2.86 | 52.58 |
| Foreign Currency Forward Contracts Payable | - | 1.23 |
| Unpaid Dividend | 65.61 | 51.28 |
| Liabilities for Acquisition of Property, Plant and Equipment | 199.68 | 670.11 |
| Employee Related Liabilities | 96.31 | 136.79 |
| Total | 364.46 | 1,063.13 |

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

Note 25 : Other Current Liabilities

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|-------------------------|-------------------------|
| Statutory Tax Payable (Including Provident Fund, Tax Deducted at Source and other indirect taxes) | 171.20 | 156.91 |
| Advances from Customers | 407.43 | 57.73 |
| Other Liabilities | 97.26 | 30.26 |
| Total | 675.88 | 244.90 |

Note 26 : Current Provisions

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| Provision for Employee benefits: | | |
| Provision for Gratuity (refer note 46) | 6.90 | 5.08 |
| Total | 6.90 | 5.08 |

Note 27 : Revenue from Operations

(₹ in lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Value of Sales | 42,259.51 | 34,679.78 |
| Other Operating Revenue: | | |
| Revenue from Solar Power | 3,312.69 | 2,345.39 |
| Job work Income | 24.10 | 21.32 |
| Duty drawback and other export incentives | 642.25 | 247.77 |
| Other Revenue | 2.41 | 36.79 |
| Total | 46,240.96 | 37,331.04 |

Notes :

- On adoption of Ind AS 115 - Revenue from Contracts with Customers with effect from April 1, 2018, there is no significant impact on the financial statements of the company.
- Values of Sales includes excise duty upto June 30, 2017 and hence figures are not comparable.

Note 28 : Other Incomes

(₹ in lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Interest income earned on financial assets that are not designated as at fair value through profit or loss | | |
| From Bank deposits (at amortised cost) | 195.60 | 513.51 |
| From Others (at amortised cost) | 7.84 | 71.35 |
| Dividend income | | |
| Dividends from investment in equity shares (designated at cost or at FVTPL) | 0.02 | 2.31 |
| Other gains or losses: | | |
| Net gains / (loss) arising on financial assets measured at FVTPL | (3.12) | (22.21) |
| Profit on Sale of Current Investment | 51.01 | 221.83 |
| Other non-operating income | | |
| Rental Income | 13.55 | 12.72 |
| Foreign Exchange Gain (Net) | 212.78 | 332.92 |
| Miscellaneous Income | 51.51 | 21.68 |
| Total | 529.18 | 1,154.11 |

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

Note 29 : Cost of Materials

(₹ in lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|---------------------|--------------------------------------|--------------------------------------|
| Opening Stock | 2,345.14 | 1,540.23 |
| Add: Purchases | 25,682.53 | 20,692.60 |
| Less: Closing Stock | 1,122.53 | 2,345.14 |
| Total | 26,905.14 | 19,887.69 |

Note 30 : Purchase of Stock in Trade

(₹ in lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|--------------|--------------------------------------|--------------------------------------|
| Traded goods | 185.39 | 1,840.89 |
| Total | 185.39 | 1,840.89 |

Note 31 : Change in Inventories of finished goods, work-in-process and stock in trade

(₹ in lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Inventories at the end of the year : | | |
| Finished Goods | 305.45 | 509.78 |
| Work-in-process | 324.72 | 165.71 |
| Stock-in-trade | 6.17 | 6.17 |
| | 636.34 | 681.66 |
| Inventories at the beginning of the year : | | |
| Finished Goods | 509.78 | 145.54 |
| Work-in-process | 165.71 | 148.24 |
| Stock-in-trade | 6.17 | 473.04 |
| | 681.66 | 766.81 |
| Total | 45.32 | 85.15 |

Note 32 : Employee Benefits Expenses

(₹ in lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Salaries, Wages and Bonus | 1,250.86 | 1,183.45 |
| Contributions to Provident and Other Funds (refer note 46) | 28.46 | 24.88 |
| Gratuity Expenses (refer note 46) | 33.94 | 8.91 |
| Staff Welfare Expenses | 32.96 | 61.89 |
| Total | 1,346.23 | 1,279.13 |

Note 33 : Finance Costs

(₹ in lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Interest on Borrowings from Banks on Term Loans | 74.64 | 133.32 |
| Interest on Borrowings from Banks | 195.06 | 416.01 |
| Bank Charges and Commission | 70.45 | 63.51 |
| Borrowings measured at amortized cost | 40.34 | (8.07) |
| Total | 380.49 | 604.76 |

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

Note 34 : Depreciation and Amortisation Expense

(₹ in lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Depreciation on property, plant and equipment | 2,206.54 | 2,275.74 |
| Depreciation on investment property | 11.89 | 12.58 |
| Total | 2,218.43 | 2,288.32 |

Note 35 : Other Expenses

(₹ in lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Manufacturing Expenses | | |
| Job Work and Labour Charges | 627.02 | 526.64 |
| Repairs and Maintenance - Machinery | 184.74 | 81.98 |
| Repairs and Maintenance - Buildings | 10.24 | 208.28 |
| Power, Fuel and Water Charges | 2,281.29 | 2,039.41 |
| Stores & Spares | 429.15 | 567.59 |
| Lab Expenses | 79.70 | 69.73 |
| Factory Expenses | 12.84 | 24.14 |
| Effluent Treatment Charges | 86.13 | 86.54 |
| (A) | 3,711.11 | 3,604.31 |
| Selling & Distribution Expenses | | |
| Commission | 21.25 | 50.05 |
| Freight and Forwarding | 753.47 | 812.86 |
| Business Promotion | 33.68 | 24.42 |
| Loading and Unloading Charges | 9.31 | 27.93 |
| (B) | 817.71 | 915.26 |
| Establishment Expenses | | |
| Excise duty on finished goods (includes difference between the excise duty on opening and closing stock of finished goods) | - | (16.17) |
| Compensation paid | - | 276.00 |
| Contribution towards CSR | 104.00 | 183.99 |
| Legal and professional Charges (refer note 35(a)) | 128.41 | 105.80 |
| Donations and contributions | 33.92 | 80.47 |
| Solar Operating Expenses | 127.06 | 86.07 |
| Rent, Rates and Taxes | 97.12 | 75.03 |
| Miscellaneous Expenses | 39.30 | 58.13 |
| Travelling and Conveyance | 56.52 | 57.80 |
| Indirect Tax Expenses | 24.74 | 51.79 |
| Insurance Expenses | 37.54 | 46.03 |
| Vehicle Expenses | 24.10 | 16.46 |
| Amalgamation Exp | 0.75 | 14.19 |
| Repairs and Maintenance - Others | 8.17 | 13.02 |
| Printing and Stationery | 12.24 | 9.33 |
| Communication | 9.04 | 8.48 |
| Membership Fees | 0.34 | 5.87 |
| Director Sitting Fees | 11.75 | 5.75 |
| Forward Contract Premium Expenses | - | 3.34 |
| Bad Debts | 6.01 | 3.20 |
| RTA Charges | 3.41 | 2.96 |
| Repairs and maintenance - Computer | 2.50 | 2.90 |
| Loss on Sale of Fixed Assets | 3.95 | - |
| Postage & Courier Expense | 8.35 | 2.50 |
| (C) | 739.22 | 1,092.94 |
| Total (A+B+C) | 5,268.04 | 5,612.50 |

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

Note 35 : Other Expenses (contd.)

35 (a) :

(₹ in lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Legal and Professional fees include (net of taxes) : | | |
| Auditors' remuneration and expenses | | |
| As auditor | 6.00 | 3.00 |
| Other Services | 3.00 | - |
| Total | 9.00 | 3.00 |

Note 36 : Earnings Per Equity Share

(₹ in lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Net Profit attributable to Equity Shareholders (₹ in lakhs) | 7,141.65 | 4,026.55 |
| Weighted Average Number of Equity Shares | 2,18,22,090 | 2,18,22,090 |
| Basic and Diluted Earnings Per Share (₹) | 32.73 | 18.45 |
| Face value per Share (₹) | 5.00 | 5.00 |

Note 37 : Financial Assets at Amortised Cost Method

The carrying value of the following financial assets recognised at amortised cost:

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-------------------------------------|-------------------------|-------------------------|
| Non-Current Financial Assets | | |
| Others | 1,311.83 | 169.32 |
| Current Financial Assets | | |
| Trade receivables | 6,331.64 | 8,737.09 |
| Cash and Cash Equivalents | 488.24 | 582.37 |
| Other bank balances | 3,092.80 | 2,718.07 |
| Others | 409.71 | 345.88 |
| Total | 11,634.22 | 12,552.73 |

Note: The fair value of the above financial assets are approximately equivalent to carrying values as recognised above.

Note 38 : Financial Liabilities at Amortised Cost Method

The carrying value of the following financial liabilities recognised at amortised cost:

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| Non-Current Financial Liabilities | | |
| Borrowings | - | 920.44 |
| Current Financial Liabilities | | |
| Borrowings | 2,349.47 | 7,279.79 |
| Trade Payable | 3,942.87 | 5,223.23 |
| Other Financial Liabilities | 364.46 | 1,061.90 |
| Total | 6,656.81 | 14,485.36 |

Note: The fair value of the above financial liabilities are approximately equivalent to carrying values as recognised above.

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

Note 39 : Financial Assets at Fair Value Through Profit or Loss

The carrying value of the following financial assets recognised at fair value through profit or loss:

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--------------------------------------|-------------------------|-------------------------|
| Non- Current Financial Assets | | |
| Investments | 46.95 | 53.75 |
| Current Financial Assets | | |
| Investments | 945.68 | 79.81 |
| Others | 34.64 | - |
| Total | 1,027.28 | 133.56 |

Note: The above investments are quoted instruments in active markets and the same are recognised at fair value. Fair value measurement is done considering the Level -1 of Fair Value Hierarchy as per the Ind-AS 113.

Note 40 : Financial Liabilities at Fair Value Through Profit or Loss

The carrying value of the following financial liabilities recognised at fair value through profit or loss:

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--------------------------------------|-------------------------|-------------------------|
| Current Financial Liabilities | | |
| Other Financial Liabilities | - | 1.23 |
| Total | - | 1.23 |

Note: The above other financial liabilities includes Foreign Currency Forward and Options Contracts. Fair value measurement is done considering the Level -1 of Fair Value Hierarchy as per the Ind-AS 113.

Note 41 : Financial Risk Management Objectives and Policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations directly or indirectly. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The below note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

| Risk | Exposure arising from | Measurement | Management |
|-------------------------------------|--|------------------------------------|---|
| Credit Risk | Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost. | Ageing analysis and Credit ratings | Diversification of bank deposits and credit limits |
| Liquidity Risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market Risk - Interest rate | Borrowings at variable rates | Sensitivity analysis | Not used any Interest rate derivatives. |
| Market Risk - Price risk | Equity Instruments | | Company maintains its portfolio in accordance with the framework set by the Risk Management policies. |
| Market Risk - Foreign exchange risk | Export, Import and Borrowings | | Forward contracts and Currency options |

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

Note 41 : Financial Risk Management Objectives and Policies (contd.)

Credit Risk :

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed by the management on regular basis with market information and individual credit limits are defined accordingly. Outstanding customer receivables are regularly monitored and any further services to major customers are approved by the senior management.

On account of adoption of Ind-AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company does not expect any credit risk on account of trade receivables.

Financial instruments and cash deposits

Credit risk from balances/investments with banks and financial institutions is managed in accordance with the Company's treasury risk management policy. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. The limits are assigned based on corpus of investable surplus and corpus of the investment avenue. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity Risk :

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as and when required.

The Treasury Risk Management Policy includes an appropriate liquidity risk management framework for the management of the short-term, medium-term and long term funding and cash management requirements. The Company manages the liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The Company invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no/negligible mark to market risks.

The table below provides details regarding the maturities of significant financial liabilities as at March 31, 2019 and March 31, 2018:

(₹ in lakhs)

| Risk | Carrying amount | Less than 12 Months | More than 12 Months | Total |
|--|-----------------|---------------------|---------------------|----------|
| Year ended March 31, 2019 | | | | |
| Secured Loans | 2,349.47 | 2,349.47 | - | 2,349.47 |
| Trade Payables | 3,942.87 | 3,942.87 | - | 3,942.87 |
| Interest Accrued | 2.86 | 2.86 | - | 2.86 |
| Liabilities for Acquisition of Property, Plant and Equipment | 199.68 | 199.68 | - | 199.68 |
| Others Liabilities | 837.80 | 837.80 | - | 837.80 |
| Year ended March 31, 2018 | | | | |
| Secured Loans | 8,351.37 | 7,430.93 | 920.44 | 8,351.37 |
| Trade Payables | 5,223.23 | 5,223.23 | - | 5,223.23 |
| Interest Accrued | 52.58 | 52.58 | - | 52.58 |
| Liabilities for Acquisition of Property, Plant and Equipment | 670.11 | 670.11 | - | 670.11 |
| Others Liabilities | 434.20 | 434.20 | - | 434.20 |

Market Risk :

Market risk comprises three types of risk: price risk, interest rate risk and currency risk. The risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of, these risks is explained below:

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

Note 41 : Financial Risk Management Objectives and Policies (contd.)

Price risk

Equity price risk is related to the change in market price of the investments in quoted equity securities. The value of the financial instruments is not material and accordingly any change in the value of these investments will not affect materially the profit or loss of the Company.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since, the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is very low. The Company has not used any interest rate derivatives.

Interest rate sensitivity

No sensitivity analysis is prepared as the Company does not expect any material effect on the Company's results arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

Foreign Exchange Risk

Foreign exchange risk arises on future commercial transactions and on all recognised monetary assets and liabilities, which are denominated in a currency other than the functional currency of the Company. The Company's management has set policy wherein exposure is identified, benchmark is set and monitored closely, and accordingly suitable hedges are undertaken. Policy also includes mandatory initial hedging requirements for exposure above a threshold.

The Company's foreign currency exposure arises mainly from foreign exchange imports, exports and foreign currency borrowings, primarily with respect to USD.

As at the end of the reporting period, the carrying amounts of the company's foreign currency denominated monetary assets and liabilities in respect of the primary foreign currency i.e. USD and derivative to hedge the exposure, are as follows:

| (USD in lakhs) | | |
|--|-------------------------|-------------------------|
| Particulars | As at March 31, 2019 | As at March 31, 2018 |
| USD exposure | | |
| Assets | 32.69 | 56.52 |
| Liabilities | 10.84 | 58.41 |
| Net | 21.86 | (1.88) |
| Derivatives to hedge USD exposure | | |
| Forward contracts (USD) | 15.25 | 29.00 |
| Option contracts- (USD) | - | - |
| Total Hedge USD | 15.25 | 29.00 |
| Net exposure | 6.61 | 27.12 |

The Company's exposure to foreign currency changes for all other currencies is not material.

Foreign currency sensitivity analysis

The following table demonstrate the sensitivity to a reasonable possible change in USD exchange rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities and derivatives is as follows:

If ₹ had (strengthened) / weakened against USD by 2%

| (₹ in lakhs) | | |
|--|-------------------------|-------------------------|
| Particulars | As at March 31, 2019 | As at March 31, 2018 |
| (Decrease) / increase in profit for the year | 9.14 | 35.27 |

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

Note 42 : Capital Management

(a) Risk Management

For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the value of the share and to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company can adjust the dividend payment to shareholders, issue new shares, etc. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| A) Net Debt | | |
| Borrowings (Current and Non-Current) | 2,352.34 | 8,403.95 |
| Cash and Marketable Securities | (4,464.07) | (3,338.94) |
| Net Debt (A) | (2,111.73) | 5,065.01 |
| B) Equity | | |
| Equity share capital | 1,091.10 | 793.98 |
| Other Equity | 33,148.70 | 28,737.66 |
| Total Equity (B) | 34,239.80 | 29,531.64 |
| Net Gearing Ratio (Net Debt / Capital) i.e. (A / B) | (0.06) | 0.17 |

(b) Dividends

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|-------------------------|-------------------------|
| (i) Equity Shares | | |
| Final Dividend for the year ended March 31, 2018 of ₹ 5.50 (March 31, 2017 - ₹5.00) per fully paid share | 1,200.23 | 796.28 |
| DDT on Final Dividend | 246.71 | 162.13 |
| Interim Dividend for the year ended March 31, 2019 of ₹ 3.75 (March 31, 2018 - ₹ NIL) per fully paid share | 818.34 | - |
| DDT on Interim Dividend | 168.21 | - |
| (ii) Dividends not recognised at the end of the reporting period | | |
| In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 2.25 per fully paid equity share (March 31, 18- ₹5.50 per share) i.e. 45 % on present equity share capital. This implies 22.5% (₹1.125 per fully paid equity share) on post Bonus equity share capital of ₹2182.20 lakhs arising after 1:1 Bonus issue. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | 491.00 | 1,200.23 |
| DDT on Proposed Dividend | 100.93 | 246.71 |

Note 43 : Contingent Liabilities not Provided for:

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|-------------------------|-------------------------|
| Disputed Liabilities in respect of Sales Tax | 8.81 | 14.06 |
| Bank Guarantee Given by Bank on Behalf of the Company | 50.00 | 7.00 |
| Disputed Custom Liabilities | 33.29 | 34.88 |
| Total | 92.10 | 55.94 |

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

Note 44 : Capital Commitments

(₹ in lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|-------------------------|-------------------------|
| Estimated value of Contracts in respect of Property, Plants and Equipments remaining to be Executed (Net of Capital Advances) | 1,391.89 | 939.17 |
| Total | 1,391.89 | 939.17 |

Note 45 : Segment Information

Information about Primary Business Segment

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. The Company is engaged in Dyes, Dyes Intermediates and Basic Chemicals and Generation and Distribution of Solar Power during the year, consequently the Company have separate reportable business segment for the year ended March 31, 2019.

Information about Secondary Geographical Segment

The Company is engaged in providing services to customers located in India and outside india, consequently the Company have separate reportable geographical segment for the year ended March 31, 2019. i.e. Domestic and Export.

(a) Primary Segment

(₹ in lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| 1. Segment Revenue (net of taxes) | | |
| (a) Segment - A (Chemical) | 42,928.27 | 34,882.13 |
| (b) Segment - B (Solar Power) | 3,312.69 | 2,448.91 |
| Less: Inter Segment Revenue | - | - |
| Net Sales / Income from Operations | 46,240.96 | 37,331.04 |
| 2. Segment Results Profit/(Loss) (before tax and interest from each segment) | | |
| (a) Segment - A (Chemical) | 10,280.67 | 6,272.82 |
| (b) Segment - B (Solar Power) | 1,208.43 | 200.19 |
| Less: Interest | 380.49 | 604.76 |
| Add: Other Un-allocable Income / (Expenses) (net off) | (687.52) | 372.04 |
| Total Profit Before Tax | 10,421.10 | 6,240.28 |
| 3. Assets | | |
| (a) Segment - A (Chemical) | 26,751.28 | 27,499.31 |
| (b) Segment - B (Solar Power) | 18,431.59 | 19,758.45 |
| (c) Unallocated | 1,529.11 | 2,235.16 |
| Total Assets | 46,711.98 | 49,492.92 |
| 4. Liabilities | | |
| (a) Segment - A (Chemical) | 7,020.83 | 9,451.82 |
| (b) Segment - B (Solar Power) | 346.11 | 5,294.84 |
| (c) Unallocated | 5,105.23 | 5,214.62 |
| Total Liabilities | 12,472.18 | 19,961.28 |

(b) Secondary Segment

(₹ in lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|-----------------------------|--------------------------------------|--------------------------------------|
| Revenue from Domestic Sales | 31,595.07 | 28,020.67 |
| Revenue from Exports | 14,645.89 | 9,310.37 |
| Total | 46,240.96 | 37,331.04 |

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

Note 46 : Employee Benefits

The Company has classified the various benefits provided to employees as under:

I. Defined Contribution Plans

- Employers' Contribution to Provident Fund and Employee's Pension Scheme
- Employers' Contribution to Employee's State Insurance

During the year, the Company has incurred and recognised the following amounts in the Statement of Profit and Loss: (₹ in lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Employers' Contribution to Provident Fund and Employee's Pension Scheme | 17.22 | 16.08 |
| Employers' Contribution to Employee's State Insurance | 11.24 | 8.79 |
| Total Expenses recognised in the Statement of Profit and Loss (Refer Note 32) | 28.46 | 24.88 |

II. Defined Benefit Plan

Gratuity Fund

(₹ in lakhs)

| Particulars | For the Year ended March 31, 2019 (% p.a.) | For the Year ended March 31, 2018 (% p.a.) |
|---|--|--|
| a. Major Assumptions | | |
| Discount Rate | 7.74% | 7.86% |
| Salary Escalation Rate @ | 5.00% | 5.00% |
| @ The estimates for future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors. | | |
| Employee Turnover | 2.00% | 2.00% |
| b. Change in Present Value of Obligation | | |
| Present Value of Obligation as at the beginning of the year | 110.58 | 89.43 |
| Current Service Cost | 27.31 | 3.85 |
| Past Service Cost | - | 4.76 |
| Interest Cost | 9.57 | 1.88 |
| Benefit paid | (2.39) | (1.64) |
| Total Actuarial (Gain)/ Loss on Obligations | 13.61 | 12.31 |
| a. Effect of Change in Financial Assumptions | 1.52 | (3.65) |
| b. Effect of Change in Demographic Assumptions | (0.15) | - |
| c. Experience (Gains)/ Losses | 12.24 | 15.95 |
| Due to Acquisition/Business Combination/Divestiture | - | - |
| Present Value of Obligation as at the end of the year | 158.68 | 110.58 |
| c. Change in Fair value of Plan Assets during the Period | | |
| Fair value of Plan Assets, Beginning of Period | 37.32 | 36.33 |
| Interest Income Plan Assets | 2.93 | 1.57 |
| Actual Company Contributions | - | - |
| Actuarial Gains/(Losses) | (0.20) | 1.07 |
| Benefits Paid | (2.39) | (1.64) |
| Acquisition/Business Combination/Divestiture | - | - |
| Fair value of Plan Assets, End of Period | 37.67 | 37.32 |

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

Note 46 : Employee Benefits (contd.)

| Particulars | For the Year ended March 31, 2019 (% p.a.) | For the Year ended March 31, 2018 (% p.a.) |
|--|--|--|
| d. Net (assets) / liability recognized in the balance sheet and the Fair Value of Assets | | |
| Present Value of Obligation at the end of the year | 158.68 | 110.58 |
| Fair Value of Plan Assets at the end of the year | 37.67 | 37.32 |
| Net (assets) / liability recognized in the balance sheet | 121.02 | 73.26 |
| Net liability - current (refer note 26) | 6.90 | 5.08 |
| Net liability - non current (refer note 20) | 114.12 | 68.18 |
| e. Expenses Recognised in the Statement of Profit and Loss | | |
| Current Service Cost | 27.31 | 3.85 |
| Net Interest Cost / (Income) | 6.63 | 0.30 |
| Past Service Cost | - | 4.76 |
| Total expenses recognised in the Statement of Profit and Loss | 33.94 | 8.91 |
| f. Expense Recognised in the Statement of Other Comprehensive Income | | |
| Amount recognized in OCI, Beginning of Period | 16.03 | 4.79 |
| Remeasurements due to : | | |
| Effect of Change in financial assumptions* | 1.52 | (3.65) |
| Effect of Change in demographic assumptions | (0.15) | - |
| Effect of experience adjustments | 12.24 | 15.95 |
| Return on plan assets (excluding interest) | 0.20 | (1.07) |
| Amount recognized in OCI, Current Year | 13.82 | 11.24 |
| Amount recognized in OCI, End of Period | 29.85 | 16.03 |
| *This figure does not reflect interrelationship between demographic assumption and financial assumption when a limit is applied on the benefit, the effect will be shown as an experience. | | |
| g. Maturity profile of defined benefit obligation | | |
| With in 1 year | 7.16 | 5.28 |
| 1-2 year | 8.19 | 3.47 |
| 2-3 year | 8.25 | 6.61 |
| 3-4 year | 36.44 | 8.85 |
| 4-5 year | 17.42 | 28.33 |
| Above 5 years | 85.12 | 61.07 |
| h. Sensitivity Analysis for significant assumption is as below | | |
| Defined Benefit Obligation - Discount Rate + 100 basis points | (17.08) | (11.88) |
| Defined Benefit Obligation - Discount Rate - 100 basis points | 17.81 | 12.42 |
| Defined Benefit Obligation - Salary Escalation Rate + 100 basis points | 17.20 | 12.05 |
| Defined Benefit Obligation - Salary Escalation Rate - 100 basis points | (16.27) | (11.34) |

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

Note 47 : Related Party Disclosure

i) Relationship

Description of relationship

Directors & Key Management Personnel :

Names of Related Parties

Mr. Suresh Bhageria (Chairman)
Mr. Vikas Bhageria (Joint Managing Director)
Mr. Vinod Bhageria (Managing Director)
Ms. Chandrabhabha Bhageria (Whole Time Director)
Mr. O.P. Bubna (Independent Non-Executive Director)
Mr. S.P. Tulsian (Independent Non-Executive Director)
Mr. P.S. Dalvi (Independent Non-Executive Director)
Dr. Shyam Agrawal (Independent Non-Executive Director) (up to March 21, 2019)
Mr. Surendra Shriram Gupta (Independent Non-Executive Director)
Mr. Mukund M. Chitale (Independent Non-Executive Director)(w.e.f. March 25, 2019)
Mr. Sandeep Singh (Independent Non-Executive Director)
Mr. Rakesh L Kachhadiya (Chief Financial Officer)
Mr. Ketan Gaur (Company Secretary)

Enterprises in which Key Management personnel and relatives of Key Management personnel have significant influence :

M/s Gini & Jony Limited
M/s Dainik Multitrade Pvt Ltd.
M/s Akashdeep International Pvt. Ltd.
Smt. Ratnadevi Bhageria Charitable Trust

Close family members of Key Management Personnel

Daughter of Suresh Bhageria

Mrs. Vanita Saraf

Son-in-law of Suresh Bhageria

Mr. Ashish Saraf

Notes:

- 1) The list of related parties above has been limited to entities with which transactions have taken place.
- 2) Related party transactions have been disclosed till the time the relationship existed.
- 3) Transactions entered into with related parties during the financial year were in the ordinary course of business and at arms' length basis.

ii) Transaction with Related Parties during the year

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| KMP Remuneration and Salary * | | |
| Mr. Suresh Bhageria | 153.00 | 132.00 |
| Mr. Vikas Bhageria | 120.00 | 109.00 |
| Mr. Vinod Bhageria | 10.53 | 10.53 |
| Ms. Chandrabhabha Bhageria | 12.00 | 18.00 |
| Mr. Rakesh L Kachhadiya | 8.51 | 7.67 |
| Mr. S.N. Tiwari | - | 1.75 |
| Mr. Ketan Gaur | 3.99 | 1.24 |
| | 308.03 | 280.19 |
| Sitting Fees | | |
| Mr. O. P. Bubna | 2.50 | 1.25 |
| Mr. S. P. Tulsian | 2.25 | 1.00 |
| Mr. P. S. Dalvi | 2.50 | 0.75 |
| Dr. Shyam Agrawal | 1.25 | 0.75 |
| Mr. Surendra Shriram Gupta | 1.50 | 1.00 |
| Mr. Sandeep Singh | 1.75 | 1.00 |
| | 11.75 | 5.75 |

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

Note 47 : Related Party Disclosure (contd.)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Salary to Relatives * | | |
| Mrs. Vanita Saraf | 12.90 | 30.10 |
| Mr. Ashish Saraf | - | 3.01 |
| | 12.90 | 33.11 |
| Sale of Goods | | |
| M/s Gini & Jony Ltd | - | 869.34 |
| M/s. Akashdeep International Pvt. Ltd. | 295.43 | - |
| | 295.43 | 869.34 |
| Purchase of Land & Building | | |
| M/s Dainik Multi Trade Pvt Ltd. | 116.00 | - |
| | 116.00 | - |
| Interest Income on Loan given | | |
| M/s Gini & Jony Ltd | - | 33.71 |
| | - | 33.71 |
| Professional Fees | | |
| Mr. Surendra Shriram Gupta | 0.70 | 1.62 |
| Mrs. Vanita Saraf | 15.05 | - |
| | 15.75 | 1.62 |
| Rent Expenses | | |
| M/s Dainik Multi Trade Pvt Ltd. | 8.64 | 9.81 |
| Mr. Suresh Bhageria | 2.15 | 2.05 |
| Mrs. Vanita Saraf | 0.83 | 0.78 |
| Mrs. Chandraprabha Bhageria | 1.08 | 1.03 |
| M/s. Akashdeep International Pvt. Ltd. | 0.83 | 0.78 |
| | 13.52 | 14.44 |
| Donations and CSR Expenses | | |
| Smt. Ratnadevi Bhageria Charitable Trust | 9.20 | 20.00 |
| | 9.20 | 20.00 |
| Loan Given and Received Back | | |
| M/s Gini & Jony Ltd | - | 478.00 |
| | - | 478.00 |

iii) Balance with Related Parties :

(₹ in lakhs)

| Particulars | Balances as at March 31, 2019 | Balances as at March 31, 2018 |
|--|----------------------------------|----------------------------------|
| Receivables | | |
| M/s Gini & Jony Ltd | - | 293.02 |
| | - | 293.02 |
| Remuneration / Salary / Other Payable | | |
| Mr.Suresh Bhageria | 0.18 | 20.63 |
| Mr.Vikas Bhageria | - | 9.99 |
| Mr.Vinod Bhageria | - | 0.88 |
| Ms.Chandraprabha Bhageria | 0.09 | 4.03 |
| Mr. Rakesh L Kachhadiya | - | 1.07 |
| Mr. Ketan Gaur | - | 0.35 |
| Mrs. Vanita Saraf | 0.07 | 3.18 |
| Mr. Ashish Saraf | - | 0.43 |
| | 0.34 | 40.56 |
| Payables | | |
| M/s Dainik Multi Trade Pvt Ltd. | 100.78 | 0.78 |
| | 100.78 | 0.78 |

* This aforesaid amount does not includes amount in respect of gratuity and leave entitlement as the same is not determinable.

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

Note 48 : CSR EXPENDITURE

Gross amount required to be spend during the year 100.70 lakhs

Amount spent during the year ₹104.00 lakhs as detailed hereunder :

(₹ in lakhs)

| Nature of activity | 2018-19 | 2017-18 |
|---|---------------|---------------|
| Promoting Healthcare and Literacy including preventive healthcare | 52.42 | 145.47 |
| Rural Development | 25.93 | 38.09 |
| Eradicating Hunger,Poverty and Malnutrition | 14.94 | 0.43 |
| Promoting Education | 10.71 | - |
| Total | 104.00 | 183.99 |
| Amount required to be spent as per Section 135 of the Act | | |
| Amount spent during the year on | | |
| (i) Construction / acquisition of an asset | - | - |
| (ii) On purposes other than (i) above | 104.00 | 183.99 |

Note 48 : Recent accounting pronouncements which are not yet effective :

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2019 on March 30, 2019: notifying Ind AS 116, 'Leases' and amending Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits'. The same are applicable for financial statements pertaining to annual periods beginning on or after April 1, 2019. The Company expects that there will be no material impact on the financial statements resulting from the implementation of these standards.

Note 49 : Previous Years' Figures:

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and polices to the extent applicable. The previous period's figures have been regrouped or rearranged wherever necessary.

The notes referred to above are an integral part of the financial statements

For MRB & Associates

Chartered Accountants
FRN : 136306W

Manish R Bohra

Proprietor
Membership No. 058431
Place : Mumbai
Date : May 29, 2019

For and on behalf of the Board of Directors

Suresh Bhageria

Chairperson
DIN: 00540285

Ketan Gaur

Company Secretary
Membership No.50087
Place : Mumbai
Date : May 29, 2019

Vinod Bhageria

Managing Director
DIN: 00540308

Rakesh Kachhadiya

Chief Financial Officer

Six Years Financial Summary

(₹ in lakhs)

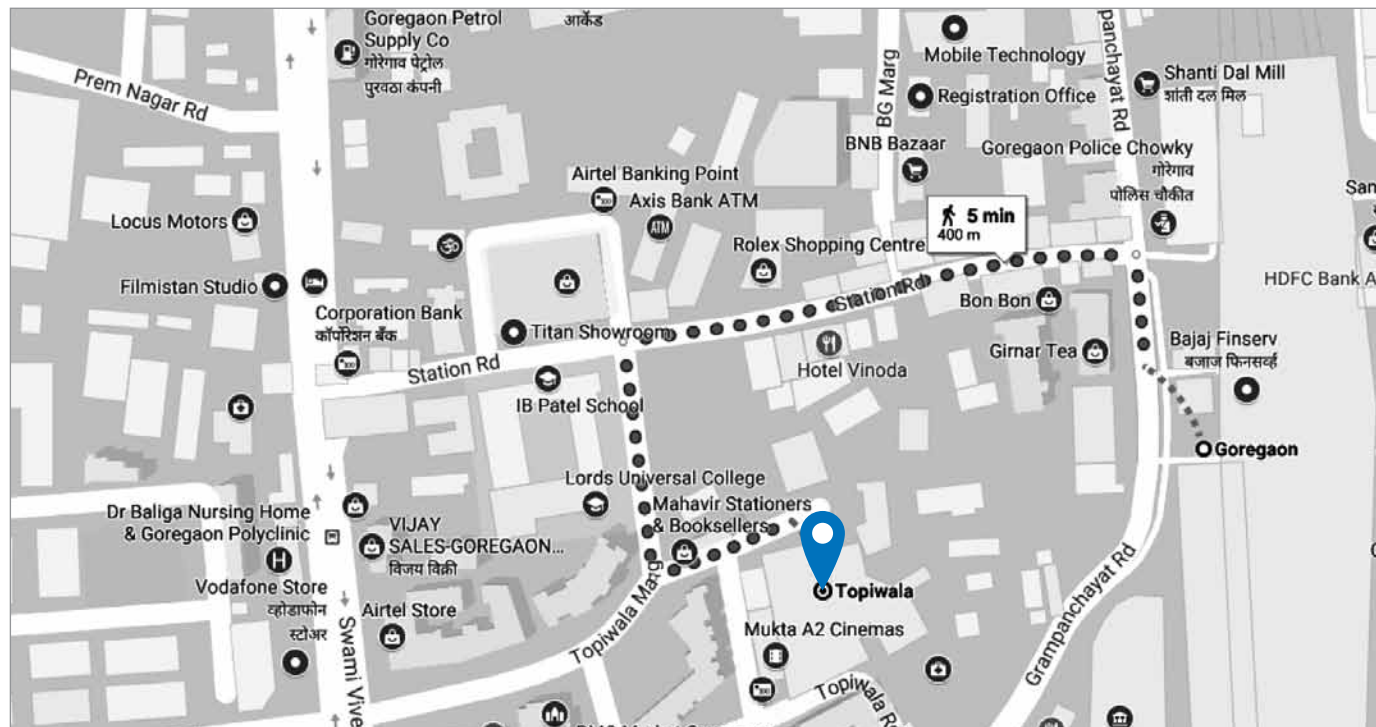
| FINANCIAL YEAR | 2018-19 # | 2017-18 # | 2016-17 # | 2015-16 | 2014-15 | 2013-14 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Income | | | | | | |
| Revenue from Operation (Gross) | 46,240.96 | 41,187.03 | 37,345.91 | 25,592.45 | 43,619.30 | 38,931.02 |
| Less : Excise Duty & GST Recovered | - | (3,855.99) | - | (1,747.43) | (2,378.75) | (2,052.72) |
| Other Income | 529.18 | 1,154.11 | 1,008.04 | 193.99 | 264.51 | 119.63 |
| | 46,770.14 | 38,485.15 | 38,353.95 | 24,039.01 | 41,505.05 | 36,997.93 |
| Expenditure | | | | | | |
| Material & Overheads (+ / - Stock Adjustment) | 33,750.12 | 29,351.78 | 31,105.77 | 21,195.00 | 35,668.51 | 34,509.50 |
| Finance Cost | 380.49 | 604.76 | 155.80 | 129.97 | 213.08 | 140.60 |
| Profit Before Depreciation & Tax | 12,639.53 | 8,528.60 | 7,092.38 | 2,714.04 | 5,623.46 | 2,347.83 |
| Depreciation | 2,218.43 | 2,288.32 | 603.71 | 339.44 | 147.86 | 85.03 |
| Tax Expenses | 3,270.46 | 2,206.38 | 2,142.24 | 842.01 | 1,814.97 | 722.20 |
| Other Comprehensive Income (Net of tax) | (8.99) | (7.35) | (4.44) | - | - | - |
| Net Profit After Tax | 7,141.65 | 4,026.55 | 4,341.99 | 1,532.59 | 3,660.63 | 1,540.61 |
| EBITDA (₹) | 13,020.02 | 9,133.36 | 7,248.18 | 2,844.01 | 5,836.54 | 2,488.43 |
| EBITDA (%) | 27.8% | 23.7% | 18.9% | 11.8% | 14.1% | 6.7% |
| Dividend (%) | 120% | 110% | 100% | 50% | 50% | 35% |
| Dividend (in ₹ per shares) | 6.00 | 5.50 | 5.00 | 5.00 | 5.00 | 3.50 |
| Earning Per Share (Face Value of ₹ 5 each) | 32.73 | 18.45 | 23.02 | 9.63 | 22.99 | 9.68 |
| Cash Earning Per Share (Face Value of ₹ 5 each) | 42.89 | 28.94 | 26.22 | 11.75 | 23.91 | 10.21 |

STATEMENT OF ASSETS & LIABILITY

| | | | | | | |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| A. Equity and Liability | | | | | | |
| Shareholders' Funds | | | | | | |
| (a) Share capital | 1,091.10 | 793.98 | 793.98 | 796.28 | 796.28 | 796.28 |
| (b) Reserves and surplus | 33,148.70 | 28,737.66 | 25,669.50 | 6,954.61 | 5,903.67 | 2,723.04 |
| | 34,239.80 | 29,531.64 | 26,463.48 | 7,750.89 | 6,699.94 | 3,519.32 |
| Non-Current Liabilities | | | | | | |
| (a) Long-Term Borrowings | - | 920.44 | 440.55 | 588.21 | - | - |
| (b) Other Long-Term Liabilities | - | - | - | 3.50 | 3.50 | - |
| (c) Long-Term Liabilities & Provision | 114.12 | 68.17 | 49.58 | - | - | - |
| (d) Deferred Tax Liabilities (net) | 5,018.47 | 5,156.54 | 3,636.99 | 430.03 | 224.62 | 93.66 |
| | 5,132.60 | 6,145.15 | 4,127.12 | 1,021.74 | 228.12 | 93.66 |
| Current Liabilities | | | | | | |
| (a) Short-Term Borrowings | 2,349.47 | 7,279.79 | 13,958.22 | 561.15 | 1,699.02 | 4,081.21 |
| (b) Trade Payables | 3,942.87 | 5,223.23 | 3,384.02 | 3,752.39 | 2,879.09 | 3,213.22 |
| (c) Other Current Liabilities | 1,040.34 | 1,308.03 | 4,557.65 | 372.83 | 341.58 | 372.09 |
| (d) Short-Term Provisions | 6.90 | 5.08 | 3.52 | 489.22 | 540.27 | 509.28 |
| | 7,339.58 | 13,816.13 | 21,903.41 | 5,175.59 | 5,459.96 | 8,175.81 |
| (A) | 46,711.98 | 49,492.92 | 52,494.01 | 13,948.22 | 12,388.02 | 11,788.78 |
| B. Assets | | | | | | |
| Non-Current Assets | | | | | | |
| (a) Net Fixed Assets | 30,186.94 | 30,359.73 | 28,720.80 | 2,659.31 | 1,802.18 | 722.03 |
| (b) Non-Current Investment | 46.95 | 53.75 | 149.54 | - | - | - |
| (c) Long-Term Loans and Advances | 1,957.58 | 467.60 | 136.10 | 29.96 | 48.98 | 25.70 |
| | 32,191.48 | 30,881.08 | 29,006.44 | 2,689.27 | 1,851.16 | 747.73 |
| Current Assets | | | | | | |
| (a) Current Investment | 945.68 | 79.81 | 2,732.76 | 3,336.00 | 2,133.25 | - |
| (b) Sundry Debtors | 6,331.64 | 8,737.09 | 5,221.26 | 4,490.57 | 4,403.28 | 4,739.44 |
| (c) Inventories | 1,871.45 | 3,102.96 | 2,382.96 | 1,856.21 | 2,535.03 | 1,882.97 |
| (d) Cash & Bank Balance | 3,581.04 | 3,300.44 | 10,952.19 | 875.92 | 844.13 | 3,124.77 |
| (e) Other Current Assets | 1,790.69 | 3,391.54 | 2,198.40 | 700.25 | 621.17 | 1,293.86 |
| | 14,520.50 | 18,611.84 | 23,487.57 | 11,258.95 | 10,536.86 | 11,041.05 |
| (B) | 46,711.98 | 49,492.92 | 52,494.01 | 13,948.22 | 12,388.02 | 11,788.78 |

prepared in accordance with new accounting standards prescribed under Companies (Indian Accounting Standards) Rules, 2015 applicable to the Company w.e.f. April 1, 2017.

Route Map for AGM Venue



30TH AGM OF BHAGERIA INDUSTRIES LIMITED

The Route Map to the AGM Venue :

Maher Banquet, Tapiwala Centre Mall, 2nd Floor,

Off S. V. Road, Near Rly. Stn., Goregaon (West), Mumbai 400 062

FORM NO. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration), 2014]

CIN: L40300MH1989PLC052574

Name of the Company: Bhageria Industries Limited

Registered Office: Office No. 1002, 10th Floor, Topiwala Centre,

Off S.V. Road, Goregaon (West), Mumbai – 400062

Name of the Member(s): _____

Registered Address: _____

_____ E-Mail Id: _____

Folio No./DP ID -Client ID:

I/We being the member(s) of _____ shares of BIL hereby appoint:

1) Name: _____ Email id: _____

Address: _____ or failing him

2) Name: _____ Email id: _____

Address: _____ or failing him

3) Name: _____ Email id: _____

Address: _____ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Saturday, August 31, 2019 at 11:30 a.m. at Maher Banquet, Topiwala Centre Mall, 2nd Floor, Off S. V. Road, Near Rly. Stn. Goregaon (West), Mumbai 400 062 and at any adjournment thereof in respect of such resolution as are indicated below.

** I wish my above Proxy to vote in the manner as indicated in the box below:

| Resolution No. | Particulars | For | Against |
|---------------------------|---|-----|---------|
| Ordinary Business: | | | |
| 1. | Consider and adopt Audited Financial Statement for the financial year ended March 31, 2019 along with reports of the Board of Directors and Auditors thereon. | | |
| 2. | Declaration of Dividend on Equity Shares for the year ended March 31, 2019. | | |
| 3. | Appoint a Director in place of Mrs. Chandraprabha Bhageria (DIN: 01444875) who retires by rotation and being eligible, offers herself for re-appointment. | | |



| Resolution No. | Particulars | For | Against |
|--------------------------|--|-----|---------|
| Special Business: | | | |
| 4. | Re-appointment of Mrs. Chandrababha Bhageria as a Whole-Time Director of the Company for a period of 3 (Three) years w.e.f November 1, 2019. | | |
| 5. | Approval of appointment of Mr. Mukund Manohar Chitale, Independent Director for a term of 5 consecutive years. | | |
| 6. | Approval of re-appointment of Mr. Shashikant Parmanand Tulsian, Independent Director for a second term of 5 consecutive years, existing term expires on March 31, 2020 | | |
| 7. | Approval for payment of Remuneration to Executive Directors who are promoters or members of promoter group of the Company pursuant to Regulation 17(6)(e)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). | | |
| 8. | Approval of Remuneration M/s Poddar & Co., Cost Accountants (Firm Registration No. 101734), the Cost Auditors of the Company for the Financial Year 2019-20. | | |

Signed this..... Day of2019

Signature of shareholder : _____

Signature of Proxy holder(s) : _____

Affix
Revenue
Stamp of
₹ 1

Note:

- (1) This form duly completed should be deposited at the Registered Office of the Company Not later than 48 hours before the commencement of Annual General Meeting of the Company.
- (2) For the resolution, Explanatory Statement and Notes, please refer to Notice of the 30th Annual General Meeting.
- (3) * This is only optional. Please put a 'X' in the appropriate column against a resolutions indicated in the box.
- (4) Please complete all details including details of Members (S) in above box before Submission.

CORPORATE INFORMATION

BOARD OF DIRECTORS

| | |
|-----------------------------|---|
| Mr. Suresh Bhageria | - Chairperson (WTD) |
| Mr. Vinod Bhageria | - Managing Director |
| Mr. Vikas Bhageria | - Jt. Managing Director (WTD) |
| Mrs. Chandraprabha Bhageria | - Whole-Time Director |
| Mr. O.P. Bubna | - Independent Non-Executive Director |
| Mr. S.P. Tulsian | - Independent Non-Executive Director |
| Mr. P.S. Dalvi | - Independent Non-Executive Director |
| Mr. Mukund Manohar Chitale | - Independent (Additional) Non-Executive Director |
| Mr. Surendra Shriram Gupta | - Independent Non-Executive Director |
| Mr. Sandeep Singh | - Independent Non-Executive Director |

AUDITORS:

M/s MRB & Associates,
(Chartered Accountant)
A-102, 1st Floor, Shraddha Height
Telly Gully Cross Road,
Andheri (East), Mumbai-400069

REGISTRAR & TRANSFER AGENT:

(Physical & DEMAT)
Sharex Dynamic (India) Pvt. Ltd
C 101, 247 Park, LBS Marg,
Vikhroli West, Mumbai-400083
Tel: 022 28515606/28515644
Email: support@sharexindia.com

BANKERS:

YES BANK
KOTAK BANK

REGISTERED OFFICE:

Office No-1002, 10th Floor, Topiwala Center,
Near Railway Station, Goregaon West,
Mumbai, 400062 Maharashtra
Tel No-(022)-4043 6666
Website: www.bhageriagroup.com
Email: info@bhageriagroup.com
CIN No: L40300MH1989PLC052574

FACTORY/PLANT:

- 1: Plot No. 6310, IV Phase,
G. I. D. C. Vapi - 396 195, Gujarat
Tel. No-(0260) 2452366
- 2: D-17, M.I.D.C.,
Tarapur Boisar, Industrial Area,
Boisar, Palghar – 401506



BHAGERIA INDUSTRIES LIMITED

CIN NO. - L40300MH1989PLC052574

Office No.1002, Topiwala Centre, Off. S.V. Road, Near Rly. Stn.
Goregaon (West), Mumbai 400 062.

Tel No : 022 - 4043 6666

Website : www.bhageriagroup.com

Email ID : info@bhageriagroup.com