



# SADHANA NITRO CHEM LIMITED

CIN : L24110MH1973PLC016698

Registered Office : Hira Baug, 1st Floor, Kasturba Chowk (C.P. Tank),

Mumbai - 400 004, INDIA

Tel. : 022-23865629 / 23875630

E-Mail : sadhananitro@sncl.com • Website : www.sncl.com

**Date: 04<sup>th</sup> September, 2019**

To  
**BSE Limited,**  
1<sup>st</sup> Floor, P.J. Towers,  
Dalal Street, Mumbai – 400001

**Scrip Code: 506642**

**Subject: Annual General Meeting of the members of the Company and intimation of Record Date.**

Dear Sir / Madam,

This is to inform that the 46<sup>th</sup> Annual General Meeting of Sadhana Nitro Chem Limited will be held on Wednesday on 25<sup>th</sup> September, 2019 at 03.00 P.M. at Sheth Hirachand Gumanji Trust Hall, Hira Baug, 1<sup>st</sup> Floor, Kasturba Chowk (C.P. Tank), Mumbai - 400004 Maharashtra India.

On 1<sup>st</sup> September, 2019 we have intimated to Stock Exchange about the Annual General Meeting but due to technical difficulties and issues relating to the size of the report, we were not able to upload the pdf file of the Annual Report and instead of that we uploaded the website link of the annual report where the entire report is available. The Integrated Annual Report for the Financial Year 2018-19, including the Notice convening the Annual General Meeting which has been dispatched to shareholders of the Company is attached herewith.

The Company will provide to its members the facility to cast their vote(s) on all resolutions set out in the Notice by electronic means ("e-voting"). The e-voting communication giving instructions for e-voting, being sent along with the Integrated Annual Report is attached herewith.

The Directors have declared Equity Dividend of Rs. 0.75/- per equity share of Rs. 5/- each to be approved by the shareholders at the Annual General Meeting.

The Company has fixed Wednesday, 18<sup>th</sup> September, 2019 as the "**Record Date**" for the purpose of:

- Determining the members eligible to receive dividend for the Financial Year 2018-19 **and**
- Determining the members eligible to vote on all resolutions set out in the Notice.

The Company's Register of Members and Share Transfer Books of the Company will remain closed from 19<sup>th</sup> September, 2019 to 25<sup>th</sup> September, 2019 (Both Days Inclusive.)

This is for your information and records.

Thanking you.

**For Sadhana Nitro Chem Limited**

**Nitin Rameshchandra Jani**  
**Company Secretary & Compliance Officer**  
**Membership No.:** A4757  
**Address:** - Plot No. 177, Room No.16,  
Jawahar Nagar Road No.2,  
Goregaon (West) Mumbai - 400062



# **Sadhana Nitro Chem Ltd.**

**46th Annual Report 2018 - 2019**



SR. NO.	CONTENTS	PAGE No.
1.	Board of Directors Etc -----	02
2.	Notice to the Members -----	03-10
3.	Board's Report with Annexure and Management Discussion & Analysis -----	11-33
4.	Corporate Governance Report -----	34-82
5.	Five Year Highlights -----	83
6.	Auditor's Report -----	84-94
7.	Balance Sheet -----	95
8.	Profit & Loss Account -----	96-97
9.	Cash Flow Statement -----	98
10.	Notes to Standalone Financial Statement -----	99-134
11.	Auditor's Report on the Consolidated Financial Statement -----	135-143
12.	Consolidated Balance Sheet, Profit & Loss Account, Cash Flow & Notes -----	144
13.	Consolidated Profit & Loss Account -----	145
14.	Consolidated Cash Flow Statement & Notes -----	146-185
15.	Annual Report of the Subsidiary Companies    1) Spidigo Net Pvt. Ltd. ....	186-200
	2) Anuchem B.V.B.A. ....	201-207
16.	Proxy Form -----	208
17.	Attendance Slip -----	211



**BOARD OF DIRECTORS**

<b>Shri Asit D. Javeri</b>	Executive Chairman
<b>Shri Arvind R. Doshi</b>	Independent Director
<b>Shri Priyam S. Jhaveri</b>	Independent Director
<b>Shri Pradeep N. Desai</b>	Independent Director
<b>Shri Abhishek A. Javeri</b>	Managing Director & CFO
<b>Smt Seema A. Javeri</b>	Executive Director-Administration
<b>Shri. Amit M. Mehta</b>	Additional Director (w.e.f.30.04.2018)

**KEY MANAGERIAL PERSONNEL** Shri Nitin R. Jani      Company Secretary

**BANKERS**

STATE BANK OF INDIA, Mumbai & Roha  
AXIS BANK LTD., Mumbai  
HDFC BANK LTD., Mumbai  
CITI BANK, Mumbai

**AUDITORS**

CHANDRASHEKHAR IYER & CO  
Chartered Accountants  
Suite B5/001, Green Acres II CHS, Ltd.,  
off Ghodbunder Road, Waghbill, Thane (W) - 400 615.

**REGISTERED OFFICE**

HIRA BAUG,  
1<sup>st</sup> Floor, Kasturba Chowk (C.P. Tank), Mumbai- 400 004.  
Phone : 022-23865629 Fax : 022-23887235.  
E-mail : sadhananitro@sncl.com Website : www.sncl.com

**CORPORATE OFFICE**

10, Bruce Street, 1st. Floor, 8/12, Sir Homi Modi Street,  
Fort, Mumbai - 400 001

**CIN NO**

L24110MH1973PLC016698

**FACTORY**

47, M.I.D.C. Industrial Area, Roha,  
Dist. Raigad, Maharashtra- 402 116.

**REGISTRAR AND  
TRANSFER AGENT (RTA)**

LINK INTIME INDIA PRIVATE LIMITED  
(Formerly known as Intime Spectrum Registry limited)  
C 101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai- 400 083.  
Phones :022-49186000 Fax : 022-49186060  
E-mail : rnt.helpdesk@linkintime.co.in



**NOTICE TO THE MEMBERS**

NOTICE IS HEREBY GIVEN THAT THE FORTY-SIXTH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT SHETH HIRACHAND GUMANJI TRUST HALL, HIRA BAUG, 1ST FLOOR, KASTURBA CHOWK (C.P. TANK), MUMBAI - 400004. ON WEDNESDAY, 25TH SEPTEMBER, 2019 AT 03.00 P.M. TO TRANSACT THE FOLLOWING BUSINESS:-

**ORDINARY BUSINESS:**

1. To receive consider and adopt the Audited Financial Statement (Including the Standalone and Consolidated Statements) of the Company for the Financial Year ended 31st March, 2019 together with the Reports of the Directors' and Auditors' thereon.
2. To confirm interim Equity dividend declared for Financial Year 2018-19 and to approve Final Equity Dividend for the Financial Year 2018-19.
3. To appoint a Director in place of Mr. Asit D. Javeri (DIN: 00268114) who retires by rotation and is eligible for re-appointment on same terms and condition.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Pursuant to the provisions of section 139 and other applicable provisions if any of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time M/s. Jayesh Dadia & Associates LLP (Firm registration No: 121142W / W100122), be and is hereby appointed as Statutory Auditors of the Company due to resignation of M/s. Chandrashekhar Iyer & Co, Chartered Accountants (Registration No. 114260W) to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held in year 2024 at such remuneration and out of pocket expenses as may be mutually decided between Board of Directors of the Company and Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution including filing of forms to Registrar of Companies and submitting necessary intimation with Stock Exchange."

**SPECIAL BUSINESS:**

5. To ratify remuneration of the Cost Auditors for the Financial Year ending 31st March, 2020 and in this regard to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all 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), the payment of the remuneration of Rs. 75,000/- P.A. plus applicable taxes and out-of-pocket expenses at actuals plus applicable Goods and Service Tax payable to M/s Vinay Mulay & Co., Cost Accountants (Registration No: M/8791), who were appointed as "Cost Auditors" by Board of Directors of the Company on the recommendation of Audit Committee, to conduct the audit of Cost Records maintained by the Company for Financial Year ending March 31, 2020, be and is hereby ratified and approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution including filing of forms to Registrar of Companies and submitting necessary intimation with Stock Exchange."

Registered Office:  
Hira Baug, 1<sup>st</sup> Floor  
Kasturba Chowk, (C.P. Tank),  
Mumbai - 400004  
CIN: L24110MH1973PLC016698  
E-mail: sadhananitro@sncl.com  
Date: 08th August, 2019.

By Order of the Board  
N.R. Jani  
Company Secretary & Compliance Officer  
Membership No: A4757

**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 and a proxy need not be a member of the Company. The proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Corporate members intending to send their Authorised Representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf.

In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

2. An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 relating to the special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.

3. The Equity Dividend for the Financial Year ended 31st March, 2019 as recommended by the Board, if approved at the AGM, will be paid on or after Sunday, 29th September, 2019 to those Members whose name appears in the Register of Members of the Company as on the book closure date.

4. The Company has appointed Link Intime India Private Limited, RTA, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 as Registrars and Share Transfer Agents for Physical Shares. The said (RTA) is also the Depository interface of the Company with both NSDL & CDSL. Following information of RTA is as follows:  
Telephone No. 022- 49186000,  
E-mail address: mt.helpdesk@linkintime.co.in  
Fax No. 022-49186060.

However, keeping in view the convenience of Shareholders, documents relating to shares will continue to be received by the Company at its Registered Office  
Telephone No. 022-23865629  
Email: sadhananitro@sncl.com

5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days' notice in writing of the intention so to inspect is given to the Company

6. Members who hold shares in electronic form are requested to mention their DP ID and Client ID number and those who hold shares in physical form are requested to mention their Folio Number in the Attendance Slip for attending the Meeting to facilitate identification of membership at the AGM.

7. 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 their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.

8. The Register of Members and the Share Transfer Book of the Company will remain closed from Thursday, 19th September, 2019 to Wednesday, 25th September, 2019 (both days inclusive) for the purpose of Annual General Meeting.

9. All documents referred to in the accompanying notice and the explanatory statements are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays & Public holiday, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.



10. Members are requested to notify immediately change of address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and Link Intime India Private limited (RTA), or to the Company at its Registered Office in respect of their physical shares.
11. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 and Certificate provided under Regulation 13 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 will be available for inspection by the members at the Annual General Meeting.
12. Entrance Pass and Proxy Form is annexed. Members are requested to bring their duly filled in attendance slip with copy of Annual Report to the place of meeting.
13. Members who hold shares in Dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
14. Members desiring any information are requested to write to the Company 10 days in advance
15. 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 reports, Notices, Circulars, etc. from the Company electronically.
16. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has specifically requested for a physical copy of the same.
17. The Members who have not yet registered their e-mail addresses are requested to register the same with RTA / Depositories. Members, who want to receive hard copies of all the communication, have to make a specific request to the Company by sending a letter in hard form in this regard to the RTA or the Company.
18. Pursuant to the provisions of Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations") and Secretarial Standards issued by the Institute of Company Secretaries of India, a brief note on the background and the functional expertise of the Directors of the Company seeking re-appointment along with the details of other Directorships, memberships / chairmanships of Board Committees, shareholding and relationships amongst directors inter-se is set out in the Brief Resume appended to this Notice.
19. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on cut of date 18th September, 2019.
20. A persons, 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 only shall be entitled to avail the facility of remote e-voting as well as voting as the AGM through ballot paper.
21. Any persons, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the Record date i.e. 23rd August, 2019, may obtain the login ID and password by sending a request at Issuer / RTA.
22. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
23. Mrs. Kumudini Paranjape, partner of M/s Makarand M Joshi & Co., Practicing Company Secretaries, has been appointed as the Scrutinizer the voting and remote e-voting process in a fair and transparent manner.
24. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
25. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of



the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forth with.

26. The Result declared along with the report of the scrutinizer shall be placed on the website of the Company and on the website of NSDL the results shall simultaneously be communicated to the Stock Exchange (BSE), Mumbai.

#### 27. Voting through electronic means

I. In compliance with provisions of 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 (LODR) Regulations, the Company is pleased to provide its members, as on the cut-off date being Wednesday, 18th September, 2019 the facility to exercise their right to vote by electronic means on any or all of the businesses specified in the Notice, at the 46th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on Saturday, 21st September, 2019 at 9:00 am and ends on Tuesday, 24th September, 2019 at 5:00 P.M. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 18th September, 2019 may cast their vote by remote e-voting. The remote E-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

#### V. How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

- Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
- Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:  
How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details are given below:





Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

(a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

(b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

(c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.



Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [kumudiniparanjape@mmjc.in](mailto:kumudiniparanjape@mmjc.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### Registered Office:

Hira Baug, 1<sup>st</sup> Floor  
Kasturba Chowk, (C.P. Tank),  
Mumbai - 400004  
CIN: L24110MH1973PLC016698  
E-mail: [sadhananitro@sncl.com](mailto:sadhananitro@sncl.com)  
Date: 08th August, 2019.

#### By Order of the Board

N.R. Jani  
Company Secretary & Compliance Officer  
Membership No: A4757



## EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

## Item No. 4:

At the 44th Annual General Meeting held on August 2, 2017, the Members approved appointment of M/s. Chandrashekar Iyer & Co., Chartered Accountants (Firm registration No: 114260W) to hold office from the conclusion of the 44th Annual General Meeting until the conclusion of the 49th Annual General Meeting to be held for the financial year 2022. However M/s. Chandrashekar Iyer & Co., Chartered Accountants (Firm registration No: 114260W) has tendered their resignation on 08th August, 2019.

On the recommendation of Audit Committee, the Board of Directors of the Company in its meeting held on 08th August, 2019 appointed M/s. Jayesh Dadia & Associates LLP (Firm registration No: 121142W / W100122) as Statutory Auditor of the Company for the period of consecutive 5 years from conclusion of ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2024 subject to the approval of shareholders in this Annual General Meeting. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice.

In accordance with provisions of Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 following are the brief details pertaining to appointment of M/s. Jayesh Dadia & Associates LLP (Firm registration No: 121142W / W100122) as Statutory Auditor:

Sr. No.	Particulars	Details
1.	Name of the firm	M/s. Jayesh Dadia & Associates LLP
2.	Terms and Conditions of Appointment	As per Appointment Letter
3.	Proposed Fees to be payable	Rs. 10,00,000/- P.A (Rupees Ten Lakhs Only)
4.	Date of Registration	11-05-2011
5.	Address	422, Arun Chambers, Tardeo, Mumbai 400034
6.	PAN No	AADFJ3735C
7.	Registration No	121142W / W100122
8.	Contact details	Mr. Jayesh Dadia - 098200-36868
9.	Email Address	jayesh@jdaca.com / info@jdaca.com
10.	Whether any regulatory action has been faced	No

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 4 of the Notice for approval by the shareholders.

## Item No. 5:

The Board of Directors in its meeting held on 28th May, 2019, on the recommendation of the Audit Committee, has approved the appointment and payment of remuneration of Rs. 75,000/- Per Annum (Rupees Seventy Five Thousands only) plus applicable taxes and out of pocket expenses to M/s. Vinay Mulay & Co., Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2020.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2020.

In accordance with provisions of Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 following are the brief details pertaining to proposed Cost Auditor, M/s. Vinay Mulay & Co., of the Company:



Sr. No.	Particulars	Details
1.	Name of the firm	M/s. Vinay Mulay & Co
2.	Brief Profile or Credentials of the firm	ML Vinay Mule, CEO, Age 59 Years having Qualification of M.Com., FCMA, CMA (USA), PGDMS, CSCP, (APICA, USA) and having Experience of More than 39 Years in Cost Audit, Internal Audit, Forensic Audit, Inventory Management and Valuation, Project Management, Strategic Planning, Indirect taxation, Project Report for Financial Institutions and Banks in diverse Industries, working with MNCs etc.
3.	Terms and Conditions of Appointment	As per Appointment Letter
4.	Proposed Fees to be payable	75,000/-
5.	Date of Registration	29th August, 2011
6.	Address	17B Laxminagar Maratha CHS Ltd Near RTO, Opposite Teacher's Colony, Andheri Mumbai-400053
7.	PAN No	AADPM3648M
8.	Registration No	M/8791
9.	Contact details	Tel: 26324918 / Mobile: 9819864918
10.	Email Address	mulayvb@hotmail.com
11.	Whether any regulatory action has been faced	No

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 5 of the Notice for approval by the shareholders.

Registered Office:  
Hira Baug, 1<sup>st</sup> Floor  
Kasturba Chowk, (C.P. Tank),  
Mumbai - 400004  
CIN: L24110MH1973PLC016698  
E-mail: sadhananitro@sncl.com  
Date: 08th August, 2019.

By Order of the Board  
N.R. Jani  
Company Secretary & Compliance Officer  
Membership No: A4757



## BOARD'S REPORT

To

The Members of

SADHANA NITRO CHEM LIMITED

Your Directors take pleasure in presenting the 46th Annual Report together with Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2019.

## 1) FINANCE

## I. FINANCIAL RESULTS

PARTICULARS	STANDALONE		CONSOLIDATED	
	2018 - 19	2017 - 18	2018 - 19	2017 - 18
Revenue from operations (Net) & Other Income	26,840	11,115	26,828	11,464
Total Expense	16,210	8,287	16,140	8,664
Profit/(Loss) before exceptional item and taxation	10,630	2,828	10,688	2,800
Exceptional Items	10,630	2,828	10,688	2,800
Tax Expense	(3,099)	309	(3,103)	309
Profit/(Loss) after tax	7,531	3,137	7,585	3,109
Other Comprehensive Income	(8)	(42)	(8)	(42)
Total Comprehensive Income	7,523	3,095	7,577	3,067

## II. REVIEW OF OPERATIONS:

The total revenue of your company for the financial year ending 31<sup>st</sup> March, 2019 has been Rs. 26,840/- Lakhs as compared to Rs. 11,115 /- lakhs in the previous years, registering a significant growth of 140%.

Focus efforts have been placed on expanding the end applications of our product line over the last several years which has helped in yield strong results this year, offering healthy sustainability for the years to come. This diversification, in end application has also simultaneously diversified clients and end destinations for Company's products globally, de-risking our portfolio from any single customer, application or market.

The level of operations has been steadily increased over the last year and has reached satisfactory levels. This has helped in economies of scale and made your company competitive on the global front.

Because of your company's product quality standards, we have been able to maintain steady relationships with our long standing customers along with building relationships with several new customers.

The result of all the above factors has led to our best year to date, registering our highest ever turnover, and the highest ever Profit After Tax (PAT) of Rs. 7,531/- (P.Y. Rs. 3,137/- lakhs) from normal operation registered in 140% growth.



Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. As such the financial statements for the year ended as at March 31, 2017 have been restated to conform to Ind AS.

The company has a very strong order book position and expected to maintain the same or higher growth trend. The cost control at every stage of operations with the increase level of operations resulted in product cost improvement.

This resulted in outstanding performance and best ever year, the EBITDA from normal operation for 2018-19 was Rs. 12,102 lakhs (PY EBITDA of Rs. 3526 lakhs) which represents a growth of 71 %.

### III. EXPANSIONS:

The company has resumed manufacture of Colour formers, a performance chemical it used to manufacture in the past. It is the key raw material for the coating of thermal paper, a presently growing industry. Due to global demand and growth of thermal paper, your Company is expanding our production lines of colour former to capture the current global requirements.

There is increased demand of Meta Amino Phenol and Aniline 2,5 Disulphonic acid globally, two of your company's key products, due to which your company is in the process of increasing its capacity by 33 % in both products.

The proposed expansion will put to use and operationalise its entire capital work-in progress during the year. In addition to this the estimated project cost will be around Rs. 60 Crores. The above expansions are being funded through internal accruals and are likely to be completed by the end of this financial year. The additional positive effect on your company's results due to these expansions will take effect in the financial year ending March 2020.

### IV. EXPORTS:

With the increase in competitiveness of your company on a global front, it has stable exports to across Europe, Japan, Korea, North and South America, and with a significant quantity being sold to China.

While our local market is growing steadily Company's turnover is still focused on the export market with this year's exports being a total of Rs. 19282 lakhs compared to last year's Rs. 8163 lakhs registering a growth of more than 136.21%.

Exports constituted about 75.027 % of the overall revenue from operation including other income. Company's Exports are well diversified in terms of product range as well as the Countries of Export.

### V. OUTLOOK:

Your company has strong long term fundamentals. The company has practically reduced all its borrowings, and has started the year debt free. It is looking towards leveraging its unique product offering along with its competitive strengths towards a long term diverse sales pipeline with sustainable cash flows for the foreseeable future. Your company is looking to utilize its cash flow towards expanding product lines as well as diversifying into downward derivatives of its existing products to create a maintainable long term revenue pipeline.

### VI. Deposits:

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

### VII. Particulars of Loans, Guarantees or Investments:

Pursuant to the provisions of Section 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time (including any amendment thereto or re-enactment thereof for the time being in force), Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the



Notes No. 04 & 05 to the Audited Standalone Financial Statements provided in this Annual Report.

**2) CONSOLIDATED FINANCIAL STATEMENTS:**

The Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards (AS) viz. AS 21, AS-23 and AS-27 issued by the Institute of Chartered Accountants of India form part of this Annual Report.

**3) DIVIDEND:**

Your Directors are pleased to recommend Final Dividend of Rs. 0.75 per equity share of Rs. 05/- each for financial year 2018-19 which shall be paid subject to the approval of shareholders of the Company in 46<sup>th</sup> Annual General Meeting of the Company.

The Board of Directors in its meeting held on April 22, 2019 had approved payment of interim dividend of Rs. 1.25/- per Equity Share on face value of Rs. 05/- each fully paid-up for the financial year 2018-2019. Interim dividend was paid to the shareholders as per their shareholding in the Company as on May 03, 2019 (Record Date).

**4) UNPAID DIVIDEND & IEPF:**

The Company is not required to transfer any amount to the Investor Education & Protection Fund (IEPF) and does not have unclaimed dividend which remains to be transferred to Investor Education & Protection Fund (IEPF).

**5) TRANSFER TO RESERVES:**

The Board of Directors has not appropriated and transferred any amount to any Reserve and has decided to retain the entire amount in profit and Loss account.

**6) REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

The performance and financial position/ salient features of the Financial Statement of each of the subsidiaries, associates and joint venture companies for the year ended 31st March, 2019 is given in Form AOC-1 which is annexed hereto and marked as Annexure- I and forms part of this Report.

As on 31st March, 2019 the Company has three wholly owned subsidiary viz. AnuChem B.V.B.A. Belgium – a Foreign Subsidiary, Strix Wireless Systems Private Limited an Indian Subsidiary and Spidigo Net Private Limited, an Indian Subsidiary Audited Financial Statement of the said subsidiaries is considered for the purpose of preparing Consolidated Financial statements.

During the year 2018-19, the Board in its meeting held on 01st August, 2018 resolved to acquire 100% shares of Spidigo Net Private Limited by making it wholly owned subsidiary of the Company subject to approval of Members. Consequently the members of the Company by passing ordinary resolution through postal ballot on 08th March, 2019 approved acquisition of 100% shares of Spidigo Net Private Limited by making it wholly owned subsidiary of the Company.

**7) RELATED PARTY TRANSACTIONS:**

**1) The particulars of contracts or arrangements with related parties:**

Your Company has historically adopted the practice of undertaking related party transactions only in the ordinary and normal



course of business and at arm's length as part of its philosophy of adhering to highest ethical standards, transparency and accountability. In line with the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has approved a policy on related party transactions. An abridged policy on related party transactions has been placed on the Company's website [HYPERLINK "http://www.sncl.com/newpdf/policy/Policy%20on%20Related%20Party%20Transaction.pdf"](http://www.sncl.com/newpdf/policy/Policy%20on%20Related%20Party%20Transaction.pdf).

Further, Related Party Transactions are placed on a quarterly basis before the Audit Committee and before the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature.

The particulars of contracts or arrangements with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 in the prescribed Form AOC-2 is annexed here to and marked as **Annexure - II** and forms part of this Report.

**II) Disclosure of Related Party Transaction with Person or Entity belonging to Promoter & Promoter Group:**

The Company has not made any transaction(s) with Manekchand Panachand Trading Investment Co Private Limited, (Being Holding Company) an Entity belonging to Promoter or Promoter Group that holds 10% or more shareholding of the Company:

**III) Disclosure of Loans and advances in nature of Loan to Subsidiaries and Associate of the Company:**

Sr. No	Particulars	Subsidiaries & Associate Company(ies)
1.	Loan and Advances as on 31 <sup>st</sup> March, 2018	8,42,94,647
2.	Loan and Advances made during the Financial Year 2018 - 19	Nil
3.	Loan and Advances outstanding as on 31 <sup>st</sup> March, 2019	Nil

**8) INSURANCE:**

The assets of your Company are adequately insured. Your Company has also taken out suitable cover for Public Liability.

**9) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an adequate Internal Control System commensurate with the size and nature of its business. The preparation designing and documentation of Policy on Internal Financial Control are in place and implemented which reviewed periodically and modified suitably to ensure controls.

The internal audit is carried out by a separate firm of Chartered Accountants. The periodical audit reports, including significant audit observations and corrective actions there-on, are presented to the Chairman of the Audit Committee.

**10) Changes in Share Capital:**

**1) Redemption of 1% Non-convertible Non-Cumulative Redeemable Preference Shares;**

During the year 2018-19, the Board of Directors of the Company through circular resolution passed on, 20th June, 2018 decided to redeem entire 96,00,000 - 1% Non-Cumulative non-convertible Preference Shares ("Preference Shares") of Rs. 10/- each at a premium of Rs. 8/- per share, out of current year's profit for the Year ended March 31, 2019.





2) Sub-division of equity shares of Rs. 10/- each into 2 (two) fully paid Equity Shares of Rs. 5/- each of the Company; During the year 2018-19, The Board of Directors of the company in its meeting held on 24th September, 2019 decided to split the equity shares to improve affordability and liquidity of equity shares and recommended the proposal of sub-division of equity shares of the Company to its members for approval through Postal Ballot.

The said sub-division along with alteration in memorandum of association was consequently approved by members through postal ballot passed on 20th December, 2018.

After taking approval of members, the company intimated to Bombay Stock Exchange ('BSE') about Record Date vide its letter dated 27th December, 2018 for sub-division which was approved by Bombay Stock Exchange vide its letter dated 28th December, 2018. The said letter from BSE directed the Company to intimate New International Securities Identification Number ('ISIN') at least two days before record date.

Pursuant to the above directions issued by BSE, the Company applied to National Securities Depository Limited ('NSDL') and Central Depository Services (India) Ltd ('CDSL') for New ISIN. After submission of requisite documents, NSDL and CDSL vide its letter dated 22nd January,

2019 had intimated to the Company about new ISIN number INE888C01032 that has been activated on NSDL and CDSL platform. The Company further intimated New ISIN was given to BSE on 25<sup>th</sup> January, 2019.

The unused existing physical shares of Rs. 10/- each with existing members were treated as cancelled. The new physical share certificates of the face value of Rs. 5/- each were printed, issued and posted to the existing 1,719 members after 31<sup>st</sup> January, 2019.

#### 11) MATTERS RELATED TO INDEPENDENT DIRECTORS:

##### I. Declarations by Independent Directors:

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

##### II. Evaluation by Independent Director:

In a separate meeting of Independent Directors held on 22nd January, 2019, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive Director.

#### 12) MATTERS RELATING TO BOARD OF DIRECTORS:

##### I. Meeting of Board of Directors of the Company during the Financial Year 2018-19:

The Board met Seven times during the financial year ended 31st March, 2019 in accordance with the provisions of the Companies Act, 2013 the details of which are given in the Corporate Governance Report. The intervening gap between any two Meetings was within the period prescribed by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

##### II. Annual evaluation of Directors, Committee and Board:

The Board of Directors of the Company has carried out an annual performance evaluation of its own performance, and of the directors individually, as well as the evaluation of all the committees i.e. Audit, Nomination and Remuneration, Stakeholders Relationship, CSR Committee and Internal Complaint Committee for Prevention and Prohibition of Sexual Harassment of Women at Workplace.



The Board adopted a formal evaluation mechanism for evaluating its performance and as well as that of its Committees and individual directors, including the Chairman of the Board the exercise was carried out by feedback survey from each directors covering Board functioning such as composition of Board and its Committees, experience and competencies, governance issues etc. Separate Exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board who were evaluated on parameters such as attendance, contribution at the meeting etc.

### 13) APPOINTMENT, REAPPOINTMENT AND RESIGNATION OF DIRECTORS AND KEY MANAGERIAL PERSONS DURING THE YEAR 2018-19:

#### I. With respect to Directors of the Company:

##### – Appointment:

Shri Amit M. Mehta (DIN: 00073907), was appointed as an Additional Independent Director of the Company with effect from 30<sup>th</sup> April, 2018. In Annual General Meeting of the Company held on 30<sup>th</sup> August, 2018, members of the Company approved the appointment of Shri Amit M. Mehta as an Independent Director to hold the office for a term up to consecutive five years commencing from 30<sup>th</sup> April, 2018.

##### – Reappointment:

The existing agreement with Shri Asit D. Javeri Chairman & Managing Director, Mrs. Seema A. Javeri, Executive Director (Administration) and Shri Abhishek A. Javeri, Executive Director & CFO of the Company was terminated on 30<sup>th</sup> April, 2018 and they were re-appointed by Board of Directors of the company in its meeting held on 30<sup>th</sup> April, 2018 with effect from 1<sup>st</sup> May, 2018.

Mr. Priyam Shantilal Jhaveri (DIN: 0045038), Mr. Arvind Raoji Doshi (DIN: 00015293) and Mr. Pradeep Nanasaheb Desai (DIN: 01602942) were appointed as Independent Directors of the Company by the members at the 41<sup>st</sup> AGM of the Company held on 12<sup>th</sup> September, 2014 for a period of five consecutive years expiring on 12<sup>th</sup> September, 2019.

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

In view of above provision and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on 08<sup>th</sup> August, 2019, proposed to members of the Company to re-appoint Mr. Priyam Shantilal Jhaveri, Mr. Arvind Raoji Doshi and Mr. Pradeep Nanasaheb Desai as Independent Directors of the Company for second term of five consecutive years commencing from the date of end of preceding term of 5 Years through Postal Ballot by passing Special Resolution. The result of said Postal Ballot shall be declared on or before 13<sup>th</sup> September, 2019.

##### – Change in Designation:

On the recommendation of the Nomination & Remuneration Committee, the Board in its meeting held on 24<sup>th</sup> July, 2018 subject to the approval of members of the Company, re-designated existing position of Mr. Asit D Javeri as Executive Chairman from Chairman and Managing Director and Mr. Abhishek A Javeri as Managing Director and CFO from Executive Director and CFO.

The subsequent approval of the members by passing Special Resolution was taken in Annual General Meeting of the Company held on 30<sup>th</sup> August, 2019 for said re-designation.



**– Continuation of Appointment of Non-Executive Director:**

Pursuant to the sub regulation (1A) of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from 1st April, 2019, No listed entity shall appoint a person as a Non-Executive Director or continue his/ her directorship as Non-Executive Director - who has attained the age of 75 Years or more, unless prior consent from the members of the company has been obtained by way of Special Resolution.

Considering the fact that age of Mr. Arvind Raoji Doshi, being the Independent Director / Non-executive Director is more than 75 Years (79 Years), the Board in its meeting held on 22<sup>nd</sup> January, 2019 discussed the above amendment with the view of the fact and decided to continue his term as the Independent Director / Non-Executive Director by considering his knowledge of various aspects relating to the Company's affairs, long business experience and his immense contribution to the business of the Company. Thereafter the Board decided to recommend the same to the members for their approval by way of Special Resolution through Postal Ballot. The members through postal ballot by way of Special Resolution passed on 08<sup>th</sup> March, 2019 approved the continuation of appointment of Mr. Arvind Raoji Doshi as Non-executive Director of the Company

**Retirement by Rotation:**

In accordance with the provisions of the Act, none of the Independent Directors is liable to retire by rotation. As per the provisions of Section 152 of the Companies Act, 2013, Mr. Asit D. Javeri retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

**II. With respect to Key Managerial Personnel of the Company:**

**-Re-appointment of Company Secretary:**

The terms of appointment of Shri Nitin R. Jani, Company Secretary who retire on 13<sup>th</sup> November, 2018 was extended further by 3 (Three) years upto 13<sup>th</sup> November, 2021.

**-Resignation;**

No Key Managerial Personnel of the Company has resigned during the financial year ending 31<sup>st</sup> March, 2019.

**14) COMMITTEES OF BOARD OF DIRECTORS OF THE COMPANY:**

Following are the Committees of Board of Directors of the Company. Composition of the following Committees are also hosted on the website of the Company at

<http://www.sncl.com/newpdf/policy/Composition%20of%20Committees%20-%20Board.pdf>.



**I. AUDIT COMMITTEE:**

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section. The details of Composition and meetings Audit Committee held has been mentioned in the Corporate Governance Report.

**II. NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee of Directors as constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Act.

The details of composition of the Committee and the number of meetings held by the committee are mentioned in the Corporate Governance Report.

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

Major criteria / gist are defined in the Remuneration policy framed for appointment of and payment of remuneration to the Directors of the Company. The remuneration policy is has been placed on the website of the Company at <http://www.sncl.com/newpdf/policy/NRC%20Policy.pdf>.

**III. STAKE HOLDERS RELATIONSHIP COMMITTEE:**

The Board of Directors of the company has constituted, pursuant to Section 178 of the Companies Act, 2013; the Board of Directors of the Company has constituted the Stakeholder's Relationship Committee.

The details of composition of the Committee and the number of meetings held by the committee are mentioned in the Corporate Governance Report.

**IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

As per the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee as under:

Mr. Asit Dhankumar Javeri, Chairman,  
Mr. Arvind Raoji Doshi, Member  
Mr. Priyam Shantilal Jhaveri, Member

The Board of Directors of the Company has approved CSR Policy based on the recommendation of the CSR Committee.

The CSR Policy of the Company is available on the Company's web-site at: <http://www.sncl.com/financials.htm>

The meeting of CSR Committee was held on 22<sup>nd</sup> January, 2019. It was discussed in the meeting that Being the first Financial Year for expenditure on CSR, the Company initiated the CSR activities but could not find possible avenues to make said



expenditure during the financial year ended on 31<sup>st</sup> March, 2018 as per activities mentioned in Schedule VII of Companies Act, 2013. The company is in search of an organization where it can make donations. Thus the Company shall initiate the CSR programme in the current financial year 2019-2020.

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

The composition, dates of meeting held and attendance of the members of the Committee at the meeting are given separately in the Corporate Governance report.

**V. INTERNAL COMPLAIN COMMITTEE FOR PREVENTION AND PROHIBITION OF SEXUAL HARASSMENT OF WOMAN AT WORKPLACE:**

During the Financial Year 2018-19, the Board of Directors by passing circular resolution constituted Internal Complain Committee for prevention and prohibition of Sexual Harassment of woman at workplace which consists of following members:

a. Mrs. Seema Asit Javeri	Chairperson
b. Mrs. Phelomena Fernandes	Member
c. Mrs. Jotsana Tushar Parab	Member
d. Mrs. Mamta Jatin Shah	Member

The meeting of Internal Complain Committee for prevention and prohibition of Sexual Harassment of woman at workplace was held on 30<sup>th</sup> March, 2019. The Committee noted the fact that the Company has received zero tolerance towards sexual harassment at the workplace during the Financial Year 2018-19. The Company had also adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

Further, the Company has complied with provisions relating to constitution of Internal Complain Committee under Sexual Harassment of woman at workplace (prevention, prohibition and Redressal) Act, 2013. During the year the Company has not received any case pertaining to Sexual Harassment of Woman.

The composition, dates of meeting held and attendance of the members of the Committee at the meeting are given separately in the Corporate Governance report.

**15) VIGIL MECHANISM / WHISTLE BLOWER AND RISK MANAGEMENT POLICY:**

Pursuant to the provisions of Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and Regulation 22 of SEBI (LODR) Regulations 2015 the Company already has in place "Vigil Mechanism Policy" (Whistle Blower Policy) for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any financial statements and reports, etc. The said policy is also hosted on the website of the Company at <http://www.sncl.com/newpdf/policy/Whistle%20Blower%20Policy.pdf>.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Company also adopted Risk Assessment Procedure.



**16) AUDITORS & REPORTS:**

**I. Statutory Auditors of the Company and their observations on accounts for the year ended 31<sup>st</sup> March, 2019:**

At the 44<sup>th</sup> Annual General Meeting held on August 2, 2017, the Members approved appointment of M/s. Chandrashekar Iyer & Co., Chartered Accountants (Firm registration No: 114260W) to hold office from the conclusion of the 44<sup>th</sup> Annual General Meeting until the conclusion of the 49<sup>th</sup> Annual General Meeting to be held for the financial year 2022. However M/s. Chandrashekar Iyer & Co., Chartered Accountants (Firm registration No: 114260W) has tendered their resignation on 08<sup>th</sup> August, 2019 due to pre-occupation. Hence the Board

recommends to the members for appointment of M/s. Jayesh Dadia & Associates LLP (Firm registration No: 121142W / W100122) as Statutory Auditor of the Company for the period of consecutive 5 years from conclusion of ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2024.

Necessary Resolution for appointment of said Statutory Auditors of the Company is included in the notice of AGM for seeking approval of members.

Further, The observations / qualifications / disclaimers made by the M/s. Chandrashekar Iyer & Co., Chartered Accountants (Firm registration No: 114260W) in their report for the financial year ended 31<sup>st</sup> March 2019 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134 (3) of the Companies Act, 2013.

**II. COST AUDITORS OF THE COMPANY:**

In terms of Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant. In this connection, on the recommendation of the Audit Committee the Board of Directors of the Company in its meeting held on 28<sup>th</sup> May, 2019, appointed M/s Vinay Mulay & Co., Cost Accountants (Reg No: M/8791) as the cost auditors to carry out auditing of cost accounting records of the Company for the year 2019-20.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the members of the Company. Accordingly, appropriate resolution forms part of the Notice convening the AGM. We seek your support in approving the proposed remuneration of Rs. 75,000/- P.A. plus applicable taxes and out-of-pocket expenses payable to the Cost Auditors for the Financial Year ending March 31, 2020.

M/s Vinay Mulay & Co., Cost Accountants (Registration No: M/8791) have vast and rich experience in the field of cost audit and have been conducting the audit of the cost records of the various Company for the past several years.

**III. Secretarial Auditors of the Company:**

Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 inter-alia requires every listed company to annex with its Board's report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form. The Board appointed M/s. Makarand M. Joshi & Co., Company Secretaries in



Practice, Mumbai, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2018-19 and their report is annexed hereto and marked as Annexure - IV. Observation made by Secretarial Auditor as per said report along with explanation made by Board is given below:

Sr. No	Particulars of observation	Explanation by Board
1.	Separate bank account was not opened as required under section 123 (5) of the Act while paying dividend to Preference shareholder for the Financial Year 2017 - 18	Dividend was required to be paid single shareholder only, hence Company did not open separate account while paying dividend to Preference shareholder. The Company had paid dividend within stipulated period of time. Hence in all respect in material compliance of Specified Provision.
2.	FLA for year ending 31 <sup>st</sup> March, 2018 falling due on 15 <sup>th</sup> July, 2018 was not filed by the company; further Annual Performance Report was filed with delay	The filing of aforementioned return was inadvertently missed. However, the Company is in process of taking necessary corrective action as on the date of approval of Board Report for Financial Year 2018 -19.
3.	Under SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015: In few instances Company has submitted the Outcome of Board Meeting in delay, In One Instance the Intimation to Stock Exchange was not as per required format. In one instance Company Published Notice of Board meeting in delay The Company has filled the Corporate Governance Report in delay for December 2018	On the account of technological constraints, the said submissions were delayed. Further, all material information was disclosed.
4.	Under SEBI (Prohibition of Insider Trading) Regulations, 2015: The Company has not disclosed trading by Designated Employee under Regulations 7(2). In few instances Designated Employees of the Company has made contra trade In one instance Designated Employee has traded during the period of Window Closure	The Company is in process of taking necessary actions against respective Designated Person.

Regulation 24 (A) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 inter-alia requires every listed company to annex with its Board's report, a Secretarial Annual Compliance Report given by a Company Secretary in practice, in the prescribed form. The Board appointed M/s. Makarand M. Joshi & Co., Company Secretaries in Practice, Mumbai, has provided Secretarial Annual Compliance Report and their report is annexed hereto and marked as Annexure - IV.

**17) REPORTING OF FRAUDS BY STATUTORY AUDITORS UNDER SECTION 143(12):**

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143 (12) of the Act read with Companies (Accounts) Rules, 2014.

**18) CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Pursuant to Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the corporate governance report together with Auditor Certificate on compliance of the same is annexed hereto and marked as Annexure-V and the Management Discussion and Analysis report is annexed hereto and marked as Annexure-VI.

**19) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed hereto and marked as Annexure-VII.

**20) EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31<sup>st</sup> March 2019 made under the provisions of Section 92(3) of the Act is attached as Annexure-VIII which forms part of this Report.

The extract of Annual Return and Annual Return shall also be placed on the website of the Company at: <http://www.sncl.com/financials.htm>

**21) PARTICULARS OF EMPLOYEES:**

Employees of the Company are drawing Remuneration in excess of the limits prescribed by the Companies Act, 2013. The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto and marked as Annexure -IX.

**22) MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT:****I) Interim Dividend for the Financial Year 2018-19:**

The Board of Directors in its meeting held on April 22, 2019 had approved payment of interim dividend of Rs. 1.25/- per Equity Share on face value of Rs. 05/- each fully paid-up for the financial year 2018-2019. Interim dividend was paid to the shareholders as per their shareholding in the Company as on May 03, 2019 (Record Date).

**23) OTHER DISCLOSURE:****I) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

During the Year 2018-19, the Board in its meeting held on 08<sup>th</sup> August, 2018 approved the Scheme of merger of Strix Wireless System Private Limited, the wholly owned subsidiary of the Company with Sadhana Nitro Chem Limited subject to the requisite approval of the shareholders / creditors of the Company and the sanction of the National Company Law Tribunal Mumbai Bench (the NCLT) the stock exchanges where the shares of the company are listed and such other competent authority(ies) as may be applicable. The Company filed an application to the NCLT for the necessary directions to be issued by the NCLT for convening meeting of Strix Wireless System Private Limited. After convening necessary meeting pursuant to the order passed by the NCLT, the Company filed petition with the NCLT for sanctioning of Scheme of Merger of Strix Wireless System Private Limited, the wholly owned subsidiary of the Company with Sadhana Nitro Chem Limited. On 09<sup>th</sup> March, 2019 the NCLT sanctioned a scheme of Merger of Strix Wireless System Private Limited, the wholly owned subsidiary of the Company with Sadhana Nitro Chem Limited.



**II) DIRECTORS' RESPONSIBILITY STATEMENT:**

In terms of Section 134(5) of the Companies Act, 2013 in relation to the audited financial statements of the company for the year ended 31<sup>st</sup> March, 2019 the Board of Directors hereby confirms that

- (a) That in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2019 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) That such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2019 and of the profit of the Company for the year ended on that date;
- (c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) That the Audited Financial Statements have been prepared on a going concern basis;
- (e) Those proper Internal Financial Controls were in place and that the financial controls were adequate and were operating effectively.
- (f) Those systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**III) Issue of Sweat Equity Shares;**

As per provisions of Section 54 of Companies Act, 2013 read with Rule 8 (13) of Companies (Share Capital and Debenture) Rules, 2014, the Company on December 13, 2018, had received Trading approval of 1,14,319 Sweat Equity Shares of Rs. 10/- each (Currently 2,28,638 Sweat Equity Shares of Rs. 05/- each) issued to Mr. Abhishek A. Javeri, Managing Director & Chief Financial Officer of the Company. Details of Sweat Equity Shares issued by the Company are furnished in Annexure – III which forms part of this Report.

**IV) Employee Stock Option Plan;**

The Company has received in principle approval for issue of ESOP pursuant to Scheme approved by Members of the Company in Extra-ordinary general Meeting held on 22<sup>nd</sup> May, 2017.

The Nomination and Remuneration Committee approved the Employee Stock Option Plan (ESOP 2018) for the grant of stock options to the employees of the Company on 01<sup>st</sup> August, 2018. The Nomination and Remuneration Committee (Remuneration Committee) administers the ESOP. The option under this grant would vest to the employees as percentage of total grant at the end of the first, second and third year from the date of grant with exercise period ending one year from the end of last vesting. Details pertaining to Employee Stock Option Plan (ESOP 2018) is annexed and marked hereto as Annexure – X.

**V) Issue of Shares with Differential Voting Rights;**

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43 (a) (ii) of the Act read with Rule 4 (4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**VI) Disclosure Under Section 67 (3) of the Companies Act, 2013;**

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly



by employees under a scheme pursuant to Section 67 (3) of the Act read with Rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

**VII) HUMAN RESOURCE / INDUSTRIAL RELATIONS:**

Human Resource programs and initiatives are aligned to meet the business needs. Your company believes in investing in people to develop and expand their capability. The Company has been able to create a favorable work environment that motivates performance; customer focus and innovation in your company's strategies are based, inter alia, on processes of continuous learning and improvement.

**24) ACKNOWLEDGEMENTS AND APPRECIATION:**

Your Directors would like to express their appreciation for the assistance and cooperation received from the Bankers, Central and State Government Departments, customers, vendors, and other business partners. The Directors also wish to place on record their appreciation to all the employees of the Company for their cooperation and continued contribution to the Company. Last but not least the Directors place on record their gratitude to the Investors, Clients and Shareholders of the Company for their support and trust reposed.

For and On Behalf of the Board of Directors  
Sadhana Nitro Chem Limited

Sd/-  
ASIT D. JAVERI  
EXECUTIVE CHAIRMAN  
DIN: 00268114  
Address: Ratnagar Palace 37 Chowpatty Seaface  
Mumbai 400007  
Place: Mumbai  
Date: 08<sup>th</sup> August, 2019



**ANNEXURE-I  
AOC-1**

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

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

**Part "A": Subsidiaries**

(Information in respect of each subsidiary/ Associate Companies/ Joint Venture Companies to be presented with amounts in Rs.)

Sr. No	Particulars	Name of Subsidiary	
1	Name of the subsidiary / Joint Venture / Associates Companies	Anuchem B.V.B.A., Belgium	Spidigo Net Private Limited
2	Date on which the subsidiary company was associated or acquired	01/04/1998	11/03/2019
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	January to December	April to March
4	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	Euro 1 Euro=INR 79.88 Date: 31.12.2018	INR
5	Paid up Share capital	Rs. 14,97,750	Rs. 1,00,000
6	Reserves and Surplus	Rs. 43,43,883	Rs. (6,46,02,587)
7	Total Assets	Rs. 9,14,56,198	Rs. 7,71,43,661
8	Total Liabilities	Rs. 9,14,56,198	Rs. 7,71,43,661
9	Investments	-	-
10	Turnover	Rs. 50,46,12,142	Rs. 81,131
11	Profit before taxation	Rs. 62,86,417	Rs. (8,80,316)
12	Provision for taxation / Def. Tax	Rs. 37,553	-
13	Profit after taxation	Rs. 62,48,864	Rs. (8,80,316)
14	Proposed Dividend	NIL	NIL
15	% of shareholding	100%	100%

Names of Subsidiaries which are yet to commence operations: - N.A

Names of Subsidiaries which have been liquidated or sold during the year: N.A.



## Part "B": Associates and Joint Ventures

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

Particulars	Name 1
1. Name of Associates/Joint Ventures	NOT APPLICABLE
2. Date on which the Associate or Joint Venture was associated or acquired	
3. Latest audited Balance Sheet Date	
4. Shares of Associate/Joint Ventures held by the company on the year end (in numbers)	
i. Number	
ii. Amount of Investment in Associates/Joint Venture	
iii. Extent of Holding %	
5. Description of how there is significant influence	
6. Reason why the associate/joint venture is not consolidated	
7. Net worth attributable to Shareholding as per latest audited Balance Sheet	
8. Profit   Loss for the year	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

Names of associates /joint ventures which are yet to commence operations: - N.A.

Names of associates /joint ventures which have been liquidated or sold during the year: N.A.

Place: Mumbai

Dated: 08th August, 2019

For Chandrashekar Iyer & Co.  
Chartered Accountants  
Firm Registration. No.114260W  
Chandrashekar Iyer  
Partner  
Membership No. 477723



**ANNEXURES TO THE BOARD'S REPORT  
ANNEXURE-II  
FORM AOC-2**

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

Particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section(1) of section 188 of the Companies Act,2013.

1	Details of contracts or arrangements or transactions not at arm's length basis	None
2	Details of material contracts or arrangement or transactions at arm's length basis	As detailed below

1. Material contracts or arrangement or transactions at arm's length basis in the ordinary course of business:-

<u>Name of the Related Party Nature of Relationship</u>	<u>Nature of contracts / arrangement / transactions</u>	<u>Duration of the contracts / arrangements / transactions</u>	<u>Salient terms of the contracts or arrangements or transactions including the value, if any</u>	<u>Date(s) of approval by the Board, if any</u>	<u>Amount paid as advances, if any</u>
Anuchem B.V.B.A., Belgium, Wholly Owned Subsidiary Company	Transactions relating to Sale of Goods	Yearly	Rs. 70,50,15,098	NA	NA

For and On Behalf of the Board of Directors  
Sadhana Nitro Chem Limited

ASIT D. JAVERI  
EXECUTIVE CHAIRMAN  
DIN: 00268114  
Address: Ratnagar Palace 37 Chowpatty Seaface  
Mumbai 400007  
Place: Mumbai  
Date: 08th August, 2019



## ANNEXURE III

Disclosure of details pertaining to issue of sweat equity shares pursuant to the provisions of Section 54 (1)(d) of the Companies Act, 2013 during the financial year under review:

The class of Director or employee to whom sweat equity shares were issued	Managing Director and Chief Financial Officer
The class of shares issued as Sweat Equity Shares	Equity
The number of sweat equity shares issued to the directors, key managerial personnel or other employees showing separately the number of such shares issued to them, if any, for consideration other than cash and the individual names of allottees holding one percent or more of the issued share capital	1,14,319
The reasons or justification for the issue	Mr. AbhishekAsitJaveri, helped the Company to gain various tangible & intangible benefits paving the way for the Company for its growth and prosperity.
The principal terms and conditions for issue of sweat equity shares, including pricing formula	As per valuation report by Merchant Banker the price should not be less than Rs. 43.94
The total number of shares arising as a result of issue of sweat equity shares	93,15,149
The % of the sweat equity shares of the total post issued and paid up share capital	1.22%
The consideration (including consideration other than cash) received or benefit accrued to the Company from the issue of sweat equity shares	Rs.50,23,200
The diluted Earnings Per Share (EPS) pursuant to issuance of sweat equity shares	EPS before Sweat Equity Rs. 33.61 per Share EPS after Sweat Equity Rs. 33.22 Per share
Date of receipt of In-principle Approval	12th March, 2018
Date of receipt of Listing Approval	19th November, 2018
Date of receipt of Trading Approval	13th December, 2018

For and On Behalf of the Board of Directors  
Sadhana Nitro Chem Limited

ASIT D. JAVERI  
EXECUTIVE CHAIRMAN  
DIN: 00268114  
Address: Ratnagar Palace 37 Chowpatty Seaface  
Mumbai 400007  
Place: Mumbai  
Date: 08th August, 2019



ANNEXURE IV

FORM NO. MR.3  
SECRETARIAL AUDIT REPORT  
For the Financial Year Ended 31<sup>st</sup> March, 2019  
*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To  
The Members,  
Sadhana Nitro Chem Limited  
Hira Baug, 1<sup>st</sup> floor Kasturba Chowk (C.P. Tank) Mumbai 400004

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sadhana Nitro Chem 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 authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment (Foreign Direct Investment and



- (i) External Commercial Borrowings not applicable to the Company during the Audit Period).
- (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 notified on 11<sup>th</sup> September, 2018
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 notified on 11<sup>th</sup> September, 2018 (Not Applicable to the Company during the audit period).
- (iii) As identified, no law is specifically applicable to the Company.  
We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as 'SEBI (LODR)').





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

1. Separate bank account was not opened as required under section 123 (5) of the Act while paying dividend to Preference shareholder for the Financial Year 2017-18.
2. FLA for year ending 31<sup>st</sup> March, 2018 falling due on 15<sup>th</sup> July, 2018 was not filed by the company; further Annual Performance Report was filed with delay.
3. Under SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015:  
In few instances Company has submitted the Outcome of Board Meeting in delay,  
In One Instance the Intimation to Stock Exchange was not as per required format.  
In one instance Company Published Notice of Board meeting in delay  
The Company has filled the Corporate Governance Report in delay for December 2018.
4. Under SEBI (Prohibition of Insider Trading) Regulations, 2015:  
The Company has not disclosed trading by Designated Employee under Reg 7(2).  
In few instances Designated Employees of the Company has made contra trade  
In one instance Designated Employee has traded during the period of Window Closure

**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 composition of the Board of Directors during the period under review was in compliance with the provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings are carried out either unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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



**We further report that**

1. The Company has obtained approval of Members through Postal Ballot on 5<sup>th</sup> June, 2018 for raising capital by issuing 12,45,000 equity warrants at an issue price of Rs.327/convertible into equity shares, on a preferential basis to the Promoter & Promoter Group. However, the issue was rejected by the Promoters.
1. The Board of Directors of the Company vide Circular Resolution No. CR/SNCL/01/2018-19 passed on Wednesday, 20th June, 2018 inter-alia, approved redemption of 1% Non-Cumulative Non-Convertible Preference Shares of the Company which were issued to M/s Manekchand Panachand Trading Investment Company Private Limited out of Profit of the current year ended 31st March, 2018.
2. The Board of Directors in Board Meeting dated 8<sup>th</sup> August, 2018 has considered and approved the Scheme of Merger by Absorption of Strix Wireless System Private Limited (Transferor Company), wholly owned subsidiary with Sadhana Nitro Chem Limited (Transferee Company) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. Further, the Scheme is subject to the sanction of the National Company Law Tribunal, Mumbai Bench, Mumbai the approvals of the Stock Exchanges, Securities and Exchange Board of India (SEBI), the respective shareholders and creditors of the Transferor Company and Transferee Company and such other Statutory or Regulator's.
3. The Company has obtained approval of Members through Postal Ballot on 21<sup>st</sup> December, 2018 for sub division of fully paid up Equity Shares of the Company from Face value of Rs 10/- per shares to Rs 5/- per share and Alteration of the Capital Clause in the Memorandum of Association.
4. The Company has obtained approval of Members through Postal Ballot on 8<sup>th</sup> March, 2019 to Consider and approve related Party Transaction for acquisition of shares of M/s Spidigo Net Private Limited and to continue the directorship of Mr Arvind Raoji Doshi, as an Independent Director.

**For MMJC & Associates LLP Company Secretaries**

**Bhavisha Jewani**

**Designated Partner**

FCS No. 8503 | CP. No. 9346

Place: Mumbai

Date: 7<sup>th</sup> August, 2019

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



To

The Members,

Sadhana Nitrochem Limited

Hira Baug, 1<sup>st</sup> floor Kasturba Chowk

(C.P. Tank) Mumbai 400004

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

1. Maintenance of secretarial record is the responsibility of the management of the company. 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. Where ever 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, regulations, standards is the responsibility of 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 MMJC & Associates LLP  
Company Secretaries

Bhavisha Jewani  
Designated Partner  
FCS No. 8503  
CP. No. 9346

Place: Mumbai  
Date: 7<sup>th</sup> August, 2019



## ANNEXURE - V TO DIRECTORS REPORT 2018-19

## REPORT ON CORPORATE GOVERNANCE

Previously, Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was not mandatory to the Sadhana Nitro Chem Limited (the "Company"), however, the Company voluntarily disclosed the Compliance to the best extent possible. From the end of the financial year 2017-18, the aforesaid Regulations are applicable to the Company.

In accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the report containing the details of Corporate Governance systems and processes of the Company is as follows together with the Auditors Certificate annexed as Exhibit A to this report, on compliance with the conditions of Corporate Governance laid down are presented in the Report on Corporate Governance for the year ended 31st March, 2019.

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

Sadhana Nitro Chem Limited believes that transparent accounting policies, appropriate disclosures norms, best-in-class Board practices and consistently high standards of corporate conduct towards its stakeholders are essential for sustained corporate growth.

Corporate Governance is about commitment to values and ethical business conduct. The Report on the Corporate Governance is to fulfill this commitment. An Organization is able to attract investors and enhance the trust and confidence of all stakeholders by following the best governance practices.

Our Governance philosophy is based on the following:-

- Management is the trustee of the Shareholders capital and not the owner.
- Provide an enabling environment to harmonize the goals of maximizing stakeholder value and maintaining a customer centric focus.
- Have a simple and transparent corporate structure driven solely by business needs.
- Communicate externally, in a truthful manner, about how the Company is running internally.
- Make clear distinction between personal convenience and corporate resources.
- Be transparent and maintain high degree of disclosure levels in all facets of its operations.
- Satisfy the spirit of the law and not just the letter of the law.

The Company's philosophy on Corporate Governance is thus concerned with the ethics, values and morals of the Company and its directors, who are expected to act in the best interests of the Company and remain accountable to shareholders and other beneficiaries for their action.

**2. BOARD OF DIRECTORS:**

The Company's Board Comprises of Individuals with considerable experience and expertise across a range of discipline including Business Management and Business Strategy.

The Board Members are fully aware of their roles and responsibilities in discharge of the key functions. The Board Members strive to meet the expectation of operational transparency without compromising the need to maintain confidentiality of information.

The Composition of the Board and Directorship held in other Companies as on 31st March, 2019:



Sr. No.	Name of the Director(s)	Category of Directorship	No. of outside Directorship	No. of other outside Committee positions held (*)	
				Chairman	Member
1	Mr. Asit D. Javeri	Promoter - Executive Chairman	7	2	4
2	Mr. Abhishek A. Javeri	Promoter - Managing Director & Chief Financial Officer	5	-	-
3	Smt. Seema A. Javeri	Promoter - Executive Director	4	-	-
4	Mr. Arvind R. Doshi	Independent - Non-Executive	-	-	-
5	Mr. Pradeep N. Desai	Independent - Non-Executive	4	-	-
6	Mr. Priyam S. Jhaveri	Independent - Non-Executive	7	1	-
7	Mr. Amit Mehta	Independent - Non-Executive	10	-	-

(\*) In other Limited Companies only membership of Audit Committee and Stakeholder's Relationship Committee are considered.

### 3. BRIEF PROFILE OF DIRECTORS OF THE COMPANY:

#### a) Shri Asit D. Javeri (DIN: 00268114):

Shri Asit D. Javeri (DIN: 00268114) aged 63 years, is a Science graduate from Mumbai University. He is S/o (Late) Shri Dhankumar T. Javeri, founder Chairman of the Company.

He joined company in December 1984 as a Director of the company and in January 1985, he was appointed as the Managing Director. Prior to joining the company he had experience of 9 years of running chemical company. He has been associated with the company for more than 33 years.

During the Year 2018-19, based on the recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company in its meeting held on 30th April, 2018 decided to terminate agreement with him which was expired on 31st August, 2018 and re-appoint him as the Managing Director of the Company for period of (3) three years w.e.f. from 1st May, 2018. Further, in view of the succession planning and in order to give the next generation opportunity to lead the Company, the Board of Director in its meeting held on 24th July, 2018 decided to re-designate him as Executive Chairman of the Company from his existing position of Chairman & Managing Director w.e.f. 24th July, 2018 for period of 3 (Three) Years commencing from 1st May, 2018.

At present Shri Asit D. Javeri is Executive Chairman of the Company. He is also promoter of the company and holds 9, 56,180 Equity Shares of the company as on 31st March, 2019.

Table showing name of Unlisted Companies in which Shri Asit D. Javeri is director:

Sr. No	Name of the Unlisted Company	Category of Directorship
1.	PHTHALO Colours & Chemicals (India) Limited.	Director
2.	Manekchand Panachand Trading Investment Company Private Limited.	Director
3.	Chandra Net Private Limited	Director
4.	Lifestyle Net Works Limited.	Director



Table showing name of Listed Company in which Shri Asit D. Javeri is director:

Sr. No	Name of the Listed Company	Category of Directorship
1.	IEL Limited	Non-Executive - Independent Director
2.	Sadhana Nitro Chem Limited	Executive Director
3.	Premier Limited	Non-Executive - Independent Director

Table showing Name of the Companies in which Shri Asit D. Javeri is a member of the Committee of the Board:

Sr. No	Name of the Company	Name of the Committee in which he is Member
1.	Sadhana Nitro Chem Limited	- Corporate Social Responsibility Committee (Chairperson)
2.	Premier Limited	- Stakeholders Relationship Committee Chairman (Chairperson) - Nomination & Remuneration Committee (Member) - Audit Committee (Member) - Corporate Social Responsibility Committee (Member)
3.	Indian Extractions Limited	- Audit Committee (Chairperson) - Nomination & Remuneration Committee (Chairperson) - Stakeholders Relationship Committee (Chairperson)
4.	PHTHALO Colours & Chemicals (India) Limited.	- Audit Committee-Member (Non-Executive)
5.	Manekchand Panachand Trading Investment Company Private Limited.	- Nil
6.	Chandra Net Private Limited	- Nil
7.	Lifestyle Net Works Limited.	- Nil

b) Shri Arvind R. Doshi (DIN: 00015293):

Shri Arvind R. Doshi (DIN: 00015293) aged 79 years, is a Civil & Sanitary Engineer from VJTI, Mumbai and Diploma in Business Management.

He joined company on 17th September, 1974 as a Director. He has been associated with the company for more than 41 years.

He has a wide experience in industries like Engineering & Automobiles since 1965. He has received Prestigious Dadabhai Naroji International award for Excellence & Achievement in 1999. Also he has been awarded Samaj Ratna by Mahamastaka Abhishek Committee 2006.



Further, during the year 2018-19, Company sought an approval of members of the Company by way of Special Resolution through Postal Ballot to continue his appointment as Non-Executive Independent Director pursuant to the sub regulation (1A) of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from 1st April, 2019, which states that No listed entity shall appoint a person as a Non-Executive Director or continue his/ her directorship as Non-Executive Director - who has attained the age of 75 Years or more, unless prior consent from the members of the company has been obtained by way of Special Resolution.

At present Shri Arvind R. Doshi is Non-Executive Independent Director of the Company. He is holding 24,996 Equity Shares of the company as on 31st March, 2019.

Table showing name of Unlisted Companies in which Shri Arvind R. Doshi is director:

Sr. No	Name of the Unlisted Company	Category of Directorship
1.	NIL	-

Table showing name of Listed Company in which Shri Arvind R. Doshi is director:

Sr. No	Name of the Listed Company	Category of Directorship
1.	Sadhana Nitro Chem Limited	Non-Executive - Independent Director

Table showing Name of the Companies in which Shri Arvind R. Doshi is a member of the Committee of the Board:

Sr. No	Name of the Company	Name of the Committee in which he is Member
1.	Sadhana Nitro Chem Limited	- Stakeholders Relationship Committee Chairman (Member) - Nomination & Remuneration Committee (Chairperson) - Audit Committee (Member) - Corporate Social Responsibility Committee (Member)

c) Shri. Priyam S. Jhaveri (DIN: 00045038):

Shri. Priyam S. Jhaveri (DIN: 00045038) aged 64 years. He is a Commerce graduate and having rich experience in Chemical Industry. He is associated with Nanavati Group of Companies and joined Company as a Director from 11th March, 1996.

At present Shri. Priyam S. Jhaveri is Non-Executive Independent Director of the Company. He is holding 400 Equity Shares of the company as on 31st March, 2019.

Table showing name of Unlisted Companies in which Shri. Priyam S. Jhaveri is director:

Sr. No	Name of the Unlisted Company	Category of Directorship
1.	PHTHALO Colours And Chemicals (India)Limited	Chairman & Managing Director
2.	PHTHALO Pigments Private Limited	Director
3.	Sonega Trades & Investments Private limited	Director
4.	Nanavati Sons Private Limited	Director
5.	Nanavati Speciality Chemicals Private Limited	Director



Table showing name of Listed Company in which Shri. Priyam S. Jhaveri is director:

Sr. No	Name of the Listed Company	Category of Directorship
1.	Sadhana Nitro Chem Limited	Non-Executive - Independent Director
2.	IEL Limited	Executive Director, Chairperson, Managing Director
3.	Excel Industries Limited	Non-Executive - Independent Director

Table showing Name of the Companies in which Shri. Priyam S. Jhaveri is a member of the Committee of the Board:

Sr. No	Name of the Company	Name of the Committee in which he is Member
1.	Sadhana Nitro Chem Limited	- Stakeholders Relationship Committee Chairman (Member) - Nomination & Remuneration Committee (Chairperson) - Audit Committee (Member) - Corporate Social Responsibility Committee (Member)
2.	IEL Limited	- NIL
3.	Excel Industries Limited	- Nomination & Remuneration Committee (Member) - Audit Committee (Member)
4.	PHHALO Colours & Chemicals (India)Limited	- _____
5.	PHHALO Pigments Private Limited	- Nil
6.	Sonega Trades & Investments Private limited	- Nil
7.	Nanavati Sons Private Limited	- Nil
8.	Nanavati Speciality Chemicals Private Limited	- Nil

d) Shri Pradeep N. Desai (DIN: 01602942):

Shri Pradeep N. Desai (DIN: 01602942) aged 56 years. He is Chemical Engineer. He joined the company as a Director from 12th February, 2013.

At present Shri Pradeep N. Desai is Non-Executive Independent Director of the Company. He is holding 200 Equity Shares of the company as on 31st March, 2019.

Table showing name of Unlisted Companies in which Shri Pradeep N. Desai is director:

Sr. No	Name of the Unlisted Company	Category of Directorship
1.	Tanishka Micro Encapsulation Private Limited	Director
2.	Aayan Nanotech Private Limited	Director
3.	Life Style Networks Limited	Director





Table showing name of Listed Company in which Shri Pradeep N. Desai is director:

Sr. No	Name of the Listed Company	Category of Directorship
1.	Sadhana Nitro Chem Limited	Non-Executive - Independent Director

Table showing Name of the Companies in which Shri Pradeep N. Desai is a member of the Committee of the Board:

Sr. No	Name of the Company	Name of the Committee in which he is Member
1.	Sadhana Nitro Chem Limited	- Stakeholders Relationship Committee Chairman (Member) - Nomination & Remuneration Committee (Member) - Audit Committee (Chairperson)
2.	Tanishka Micro Encapsulation Private Limited	- Nil
3.	Aayan Nanotech Private Limited	- Nil
4.	Life Style Networks Limited	- Nil

e) Shri Abhishek A. Javeri (DIN: 00273030):

Shri Abhishek A. Javeri (DIN: 00273030) aged 36 years. He is son of Mr. Asit D. Javeri, Executive Chairman of the Company and Smt. Seema A. Javeri, Executive Director - Administration, of the Company. He is BA in Economics from North Western University, USA. He joined the company as a Director from 24th January, 2007.

During the Year 2018-19, based on the recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company in its meeting held on 30th April, 2018 decided to terminate agreement with him which was expired on 31st August, 2018 and re-appoint him as the Executive Director & Chief Financial Officer of the Company for period of (3) three years w.e.f. from 1st May, 2018.

Further, in light of the growth in profits observed by the Company during the year 2018-19 and due to the efforts of Shri. Abhishek Asit Javeri and the future growth of the Company, the Board of Director in its meeting held on 24th July, 2018 decided to re-designate him as Managing Director & Chief Financial Officer of the Company from his existing position of Executive Director & CFO w.e.f. 24th July, 2018 for period of 3 (Three) Years commencing from 1st May, 2018.

At present Shri Abhishek A. Javeri is Managing Director & Chief Financial Officer of the Company. He is also a promoter of the Company and holding 5,62,168 Equity Shares of the company as on 31st March, 2019.

Table showing name of Unlisted Companies in which Shri Abhishek A. Javeri is director:

Sr. No	Name of the Unlisted Company	Category of Directorship
1.	Spidigo Net Private Limited	Additional Director
2.	A Manekchand Panachand Trading Investment Company Private Limited	Director
3.	Life Style Networks Limited	Director
4.	Chandra Net Private Limited	Director



Table showing name of Listed Company in which Shri Abhishek A. Javeri is director:

Sr. No	Name of the Listed Company	Category of Directorship
1.	Sadhana Nitro Chem Limited	Managing Director & Chief Financial Officer

Table showing Name of the Companies in which Shri Abhishek A. Javeri is a member of the Committee of the Board:

Sr. No	Name of the Company	Name of the Committee in which he is Member
1.	Sadhana Nitro Chem Limited	- Corporate Social Responsibility Committee
2.	Spidigo Net Private Limited	- Nil
3.	A Manekchand Panachand Trading Investment Company Private Limited	- Nil
4.	Life Style Networks Limited	- Nil
5.	Chandra Net Private Limited	- Nil

f) Smt. Seema A. Javeri (DIN: 01768936):

Smt. Seema A. Javeri (DIN: 01768936) aged 60 years. She is a B.Sc. She has an experience of 12 years in Administration. She joined the company as a Director from 13th February, 2014.

During the Year 2018-19, based on the recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company in its meeting held on 30th April, 2018 decided to terminate agreement with her which was expired on 30th June, 2018 and re-appoint her as the Executive Director - Administration of the Company for period of (3) three years w.e.f. from 1st May, 2018.

At present Smt. Seema A. Javeri is Executive Director - Administration of the Company. She is also a promoter of the Company and holding 36, 654 Equity Shares of the company as on 31st March, 2019.

Table showing name of Unlisted Companies in which Smt. Seema A. Javeri is director:

Sr. No	Name of the Unlisted Company	Category of Directorship
1.	Spidigo Net Private Limited	Director
2.	Manekchand Panachand Trading Investment Company Private Limited	Director
3.	Life Style Networks Limited	Director

Table showing name of Listed Company in which Smt. Seema A. Javeri is director:

Sr. No	Name of the Listed Company	Category of Directorship
1.	Sadhana Nitro Chem Limited	Executive Director-Administration



Table showing Name of the Companies in which Smt. Seema A. Javeri is a member of the Committee of the Board:

Sr. No	Name of the Company	Name of the Committee in which he is Member
1.	Sadhana Nitro Chem Limited	- Internal Complain Committee for prevention and prohibition of Sexual Harassment of woman at workplace (Chairperson)
2.	Spidigo Net Private Limited	- Nil
3.	Manekchand Panachand Trading Investment Company Private Limited	- Nil
4.	Life Style Networks Limited	- Nil

g) Shri Amit M. Mehta (DIN: 00073907):

Shri Amit M. Mehta (DIN: 00073907) aged 65 years is a B.Sc in Chemistry. He has vast experience of in Chemical Business. He joined the company as an Additional Independent Director of the Company on 30th April, 2018 subject to the approval of members in 45th AGM of the Company held in Financial Year 2018-19. In AGM of the Company held on 30th August, 2018, members of the Company approved the appointment of Shri Amit M. Mehta as an Independent Director to hold the office for a term up to consecutive five years commencing from 30th April, 2018.

At present Shri Amit M. Mehta is Non-Executive Independent Director of the Company. He is holding 84,372 Equity Shares of the company as on 31st March, 2019.

Table showing name of Unlisted Companies in which Shri Amit M. Mehta is director:

Sr. No	Name of the Unlisted Company	Category of Directorship
1.	Tomorrow Land Apparels Private Limited	Director
2.	Finorga (India) Pvt Ltd	Managing Director
3.	S. Amit Speciality Chemicals Private Limited	Director
4.	Perfo Chem (India) Private Limited	Director
5.	Topnotch Realty Private Limited	Director
6.	Pinami Realty Private Limited	Director
7.	Value E-Healthcare Limited	Director
8.	Insight Health Scan Private Limited	Director
9.	Global - Local Lifestyle Services Private Limited	Director

Table showing name of Listed Company in which Shri Amit M. Mehta is director:

Sr. No	Name of the Listed Company	Category of Directorship
1.	Sadhana Nitro Chem Limited	Non - Executive - Independent Director
2.	Diamines Chemicals Limited	Non - Executive - Independent Director



Table showing Name of the Companies in which Shri Amit M. Mehta is a member of the Committee of the Board:

Sr. No	Name of the Company	Name of the Committee in which he is Member
1.	Sadhana Nitro Chem Limited	- NIL
2.	Diamines Chemicals Limited	- Stakeholders Relationship Committee Chairman (Member) - Corporate Social Responsibility Committee (Chairperson)
3.	Tomorrow Land Apparels Private Limited	- Nil
4.	Finorga (India) Pvt Ltd	- Nil
5.	S. Amit Speciality Chemicals Private limited	- Nil
6.	Perfo Chem (India) Private Limited	- Nil
7.	Topnotch Realty Private Limited	- Nil
8.	Pinami Realty Private Limited	- Nil
9.	Value E-Healthcare Limited	- Nil
10.	Insight Health Scan Private Limited	- Nil
11.	Global Local Lifestyle Services Private limited	- Nil

#### 4. ATTENDANCE RECORD OF THE DIRECTORS:

During the Financial Year 2018 - 19:

- a) Seven Meetings of Board of Directors were held on 30th April, 2018, 24th July, 2018, 01st August, 2018, 08th August, 2018, 24th September, 2018, 19th October, 2018 & 22nd January, 2019.  
b) Last Annual General Meeting (AGM) of the Company was held on 30th August, 2018.

The Attendance of Directors at the Board Meetings and Last AGM were as under:-

Dates on which the Meetings were held	Attendance of Directors						
	Mr. Asit D. Javeri	Mr. Arvind R. Doshi	Mr. Priyam S. Jhaveri	Mr. Abhishek A. Javeri	Mr. Pradeep N. Desai	Smt. Seema A. Javeri	Mr. Amit M Mehta
Board Meeting 30th April, 2018	Present	Present	Present	Present	Present	Present	Present
Board Meeting 24th July, 2018	Absent	Present	Present	Present	Absent	Present	Present
Board Meeting 01st August, 2018	Present	Present	Present	Present	Present	Present	Present
Board Meeting 08th August, 2018	Present	Present	Present	Present	Present	Absent	Present
Board Meeting 24th September, 2018	Present	Present	Present	Absent	Present	Present	Present
Board Meeting 19th October, 2018	Present	Present	Present	Present	Present	Present	Present



Dates on which the Meetings were held	Attendance of Directors						
	Mr. Asit D. Javeri	Mr. Arvind R. Doshi	Mr. Priyam S. Jhaveri	Mr. Abhishek A. Javeri	Mr. Pradeep N. Desai	Smt. Seema A. Javeri	Mr. Amit M Mehta
Board Meeting 22nd January, 2019	Present	Present	Present	Present	Present	Absent	Present
AGM 30th August, 2018	Present	Present	Present	Present	Present	Present	Absent

#### 5. DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE:

Name of Director	Inter-se Relationship
Mr. Asit D Javeri	Father of Mr. Abhishek A Javeri and Husband of Mrs. Seema A Javeri
Mr. Abhishek A Javeri	Son of Mr. Asit D Javeri and Mrs. Seema A Javeri
Mrs. Seema A Javeri	Wife of Mr. Asit D Javeri and Mother of Mr. Abhishek A Javeri
Mr. Priyam S. Jhaveri	No Relation
Mr. Pradeep N. Desai	No Relation
Mr. Arvind R. Doshi	No Relation
Mr. Amit M Mehta	No Relation

#### Note:

Board meets once in quarter wherein they review quarterly performance and financial results. The Board meetings are generally scheduled well in advance and the notice of each meeting is given in writing to each Director. All the items on the agenda are accompanied by a note giving comprehensive information on the related subject. The agenda and relevant notes are sent in advance separately to each of directors and only in exceptional cases the same is tabled at the meeting. The Board is also free to recommend the inclusion of any method for discussion in consultation with the Chairman. The information as specified in Part A of Schedule of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is regularly made available to the Board. The minutes of the Board meeting are circulated within reasonable time period in accordance with the secretarial standards to all directors and are confirmed at subsequent meeting. The minutes of audit committee and other committees of the board are circulated within the stipulated time period to all members of the Committees and are regularly place before the respective Committees.

#### 6. TRAINING OF NON-EXECUTIVE MEMBERS OF THE BOARD:

All new non-executive Directors are appointed on the Board of the Company are introduced to the culture through induction sessions. The Executive Directors and senior management provide an overview of the operations and familiarize the new Non-executive Directors on matters the morals and principles of the Company.

They are introduced to the organization structures and various procedures. The Directors are also briefed pertaining to the group structure and subsidiaries. The Company has a detailed familiarization Programme for Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

The details of such Programme is available on the website of the Company at

<http://www.sncl.com/newpdf/policy/Familiarization%20Program%20for%20Independent%20Directors.pdf>



**7. NUMBER OF SHARES & CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS AS ON 31ST MARCH, 2019 IS AS UNDER:**

Name of Director	Director Category	Number of Shares/convertible instruments held in the Company
Mr. Amit M. Mehta*	Non-Executive, Independent	84372 Equity Share
Mr. Arvind R. Doshi	Non-Executive, Independent	24996 Equity Share
Mr. Priyam S. Jhaveri	Non-Executive, Independent	400 Equity Share
Mr. Pradeep N. Desai	Non-Executive, Independent	200 Equity Share

\*Shri Amit M. Mehta was appointed as Independent Director of the Company with effect from April 30, 2018.

**8. CONFIRMATION PERTAINING TO INDEPENDENT DIRECTORS OF THE COMPANY:**

In the opinion of the Board of Directors of the Company, Mr. Amit M. Mehta, Mr. Arvind R. Doshi, Mr. Priyam S. Jhaveri and Mr. Pradeep N. Desai, Non-Executive Independent directors are independent of the management and complies with criteria of Independent Director as placed in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

**9. REASONS FOR THE RESIGNATION OF AN INDEPENDENT DIRECTOR:**

During the year 2018-19, No Independent Director has resigned before the expiry of his tenure.

**10. LIST OF SKILLS/EXPERTISE/COMPETENCIES REQUIRED TO FUNCTION THE BUSINESS EFFECTIVELY:**

Too many businesses fail because translating passion into a successful business model is a difficult task.

Developing a small business into a successful enterprise demands more than passion. Unfortunately, facts speak for themselves. Over half of new businesses fail mainly because the entrepreneur is unable to translate their passion into practical business skills. Success demands more than hard work, resilience, and expertise in your field. In order to succeed, you need to understand and to become proficient in a set of fundamental business skills. Following are the essential skills that you are required to run the business of the Company:

**a) Financial Management Skill:**

Being able to effectively manage your finances is critical. You will need to be able to forecast your cash flow and sales, as well as, monitor your profit and loss. Having sound financial management skills will help you to run your business profitably and protect your financial investment.

**b) Marketing, Sales and Customer Service Skill:**

It is important to be able to promote your products or services effectively. Providing good customer service and having a marketing strategy in place will help you to generate sales.

**c) Communication and Negotiation Skill:**

Communication and negotiation with your suppliers, potential investors, customers and employees is very important to have. Having effective written and verbal communication skills will help you to build good working relationships. Every communication should reflect the image you are trying to project.

**d) Management Skill:**

These means offering other people opportunities to do work, even if you think it will benefit your own clout or resume to do it yourself. Delegation is an important part of time and resource management. If you take everything on yourself, chances are your work in key areas will suffer. Someone that excels in business will be able to manage their own workload by appropriately directing the appropriate colleagues and subordinates for the best tasks.



**e) Strategic Planning Skill:**

Strategic planning is a very important business activity. Strategic planning is a process of defining your company's strategy or direction and making decisions on allocations of resources of capital and people. The key is to know how to project your company's future performance, within a three-to-five year framework or more, supported by your well-defined business plan.

**11. AUDIT COMMITTEE:**

**a) Preamble:**

As required under section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with part C of schedule II thereto, the Board has constituted Audit Committee which comprises of the following Directors:

Name of Director	Nature of Membership and Date of Appointment	Director Category
Mr. Priyam S. Jhaveri	Chairman (From 29/04/2008)	Non-Executive, Independent
Mr. Arvind R. Doshi	Member (From 29/04/2008)	Non-Executive, Independent
Mr. Pradeep N. Desai	Member (From 19/1/2018)	Non-Executive, Independent

**b) Change in Composition:**

There was no change in the composition of the Audit Committee during the financial year 2018-19.

**c) Terms of reference of the Audit Committee:**

The Audit Committee shall have the authority to investigate into any matter that may be prescribed under Company Law for the time being in force and within its terms of reference.

Role of the Audit Committee, inter-alia, includes the following :-

- a) 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.
- b) Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing with management the annual financial statements before submission to the Board, for approval with particular reference to:
  - i. Matters required being included in the Director's Responsibility Statement.
  - ii. Changes, if any, in accounting policies and practices and reasons for the same.
  - iii. Major accounting entries involving estimates based on exercise of judgment by management.
  - iv. Significant adjustments made in the financial statements arising out of audit findings.
  - v. Compliance with Listing and other legal requirements relating to financial statements.
  - vi. Disclosure of any related party transactions.
  - vii. Qualifications in draft audit report.
- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval
- f) Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems.



- g) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- h) Discussions with internal auditors any significant findings and follow up thereon.
- i) 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.
- j) Discussions 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.
- k) 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.
- l) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- m) The Audit Committee shall mandatorily review the following information.
- i. Management discussion and analysis of financial condition and results of operations;
  - ii. Statement of significant related party transactions (as defined by the audit committee), submitted by Management;
  - iii. Management letters/letters of internal control weaknesses issued by the statutory auditors;
  - iv. Internal audit reports relating to internal control weakness; and
  - v. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- n) To verify that the systems for internal control towards compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015 are adequate and operating effectively at least once in a financial year.
- o) To review and verify the report on internal control.
- p) To strengthen the internal control system placed for compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015.
- q) To review and verify the report to be provided by Compliance officer on compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015 and code of conduct at such frequency as may be stipulated by the Board of Directors

Mr. Chandrashekar Iyer - Chandrashekar Iyer & Co., Partner of the firm - Statutory Auditor and Jayesh Dadia - Jayesh Dadia & Associates, Partner of the firm - Internal Auditor, have been permanent invitees to the Audit Committee Meetings besides Chairman, Managing Director & Chief Financial Officer as an Invitee. Company Secretary attended most of the meeting of the Audit Committee as invitee as well.

During the year, the Audit Committee, in its meetings, discussed among other things, the following:

- Reviewed with management, quarterly, half yearly and annual financial statements before submission to the Board.
- Discussed with the management and the internal and statutory auditors findings in the internal audit reports.
- Deliberated on the applicability, compliance and impact of various Accounting Standards and guidelines issued by the Institute of Chartered Accountants of India from time to time.





- Reviewed the Company's Financial and Risk Management Policies and Audit Reports covering operational, financial and other business risk areas.

The Chairman of the Audit Committee has briefed the Board of Directors, about the Audit Committee's observations on various issues discussed at its meetings. Minutes of the Audit Committee Meetings are also circulated to all the Board Members along with agenda of the subsequent meeting.

The Financial decisions of the Company are taken by Mr. Asit D Javeri, Executive Chairman along with Mr. Abhishek A Javeri, Managing Director and Chief Financial Officer at the Meeting of Board of Directors.

d) Attendance record of the Members:

The attendance record of each member of the Audit Committee at the Meeting held on 30th April, 2018, 01st August, 2018, 08th August, 2018, 19th October, 2018 and 22nd January, 2019 are as follows: -

Dates on which the Meetings were held	Attendance of Members		
	Mr. Priyam S. Jhaveri (Chairman)	Mr. Arvind R. Doshi (Member)	Mr. Pradeep N. Desai (Member)
30th April, 2018	Present	Present	Present
01st August, 2018	Present	Present	Present
08th August, 2018	Present	Present	Present
19th October, 2018	Present	Present	Present
22nd January, 2019	Present	Present	Present

The previous Annual General Meeting was held on 30th August, 2018. Mr. Priyam Javeri Chairman of the Audit Committee has attended the Annual General Meeting of the Company.

12. RISK MANAGEMENT:

Preamble:

The Board takes responsibility for the total process of risk management in the organisation. Results of the risk assessments and residual risks are presented to the Senior Management and the Audit Committee members. The Management is accountable for the integration of risk management practices into the day to day activities. The scope of the Audit Committee includes review of the Company's financial and risk management policies. The Audit Committee reviews the Audit Reports covering operational, financial and other business risk areas.

13. STAKEHOLDERS RELATIONSHIP COMMITTEE:

a) Preamble:

Pursuant to the provisions of section 178 (5) of the Act and Regulation 20 of the SEBI Regulations read with Part D of Schedule II thereto, the Shareholders' Committee of the Board was reconstituted as the Stakeholders' Relationship Committee. The Stakeholder Relationship Committee comprises of the following Directors: -

Name of Director	Nature of Membership and Date of Appointment	Director Category
Mr. Priyam S. Jhaveri	Chairman (From 29/04/2008)	Non-Executive, Independent
Mr. Arvind R. Doshi	Member (From 29/04/2008)	Non-Executive, Independent
Mr. Pradeep N. Desai	Member (From 19/1/2018)	Non-Executive, Independent



**b) Change in composition:**

There was no change in the composition of the Stakeholders' Relationship Committee during the financial year 2018-19.

**c) Terms of Reference:**

- Review the existing Investors Redressal System and suggest measures for improvement.
- Review the report of Registrars and Share Transfer Agents about investor's grievances and follow up for the necessary action taken for redressal thereof.
- Suggest improvement in investor's relations.
- Consider and take on record the Certificate from Practicing Company Secretary certifying that the aggregate number of equity shares held in depositories and in physical form tally with the total number of shares issued, listed and admitted share capital.

**d) Attendance record of the Members:**

The attendance record of each member of the Stakeholder Relationship Committee at the Meeting held on 30th April, 2018 is as follows:

Dates on which the Meetings were held	Attendance of Members		
	Mr. Priyam S. Jhaveri (Chairman)	Mr. Arvind R. Doshi (Member)	Mr. Pradeep N. Desai (Member)
30th April, 2018	Present	Present	Present

All share transfer and correspondence thereon are handled by the Company's Registrars and Share Transfer Agents viz. Link Intime Private Limited situated at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083.

**e) Name and Designation of Compliance Officer:**

Mr. Nitin R. Jani, Company Secretary, has been appointed as the Compliance Officer, as required under Regulation 6 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). He has been entrusted the task of overseeing the Share Transfer work done by the Registrars and Share Transfer Agents and attending to grievances of the Shareholders and Investors intimated to the Company directly or through SEBI and Stock Exchanges. All complaints / grievances have been duly intimated to exchange under Regulation 13 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is as follows:

No. of Investor complaints pending at the beginning of the quarter ended on 31.03.2019	No. of Investor complaints received during the quarter ended on 31.03.2019	No. of Investor complaints disposed of during the quarter ended on 31.03.2019	No. of Investor complaints unresolved at the end of the quarter ended on 31.03.2019
2	6	6	2

**14. NOMINATION & REMUNERATION COMMITTEE:**

Pursuant to section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Regulations read with Part D of Schedule II thereto the Company has constituted the Nomination & Remuneration Committee. This Committee shall have the authority to Investigate into any matter that may be prescribed under Company Law for the time being in force and shall also comply with the terms of reference as specified herein as under:

1. The Nomination & Remuneration Committee shall have meetings periodically as it may deem fit.
2. The Nomination & Remuneration Committee shall invite such of the executives to be present at the meetings of the Committee required by it.



3. The Nomination & Remuneration Committee shall have the following powers and functions:
- To recommend to the Board, the terms and conditions of appointment of key Management personnel.
  - To seek information from any employee.
  - To obtain outside legal or other professional advice.

**a) Performance Evaluation:**

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of independent directors and other directors, Board of Directors and Committees of the Board of Directors pursuant to the provisions of the Companies Act, 2013.

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- Attendance of Board Meetings and Board Committee Meetings.
- Quality of contribution to Board deliberations.
- Strategic perspectives or inputs regarding future growth of Company and its performance.
- Providing perspectives and feedback going beyond information provided by the management.
- Commitment to shareholder and other stakeholder interests.
- The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her evaluation.

**b) Remuneration Policy:**

**Preamble:**

The Nomination and Remuneration Committee has laid down the criteria for determining qualifications, positive attributes and independence of a person proposed to be appointed as a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

This policy ensures that-

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The remuneration policy of the Company is directed towards rewarding performance based on review of achievements on a periodic basis and is inconsonance with the existing industry practice which is hosted on the website of the company at <http://www.sncl.com/newpdf/policy/NRC%20Policy.pdf>

The Nomination & Remuneration Committee consists of the following Directors.

Name of Director	Nature of Membership and Date of Appointment	Director Category
Mr. Arvind R. Doshi	Chairman (From 29/04/2008)	Non-Executive, Independent
Mr. Priyam S. Jhaveri	Member (From 29/04/2008)	Non-Executive, Independent
Mr. Pradeep N. Desai	Member (From 19/1/2018)	Non-Executive, Independent

**c) Change in composition of Nomination and Remuneration Committee:**

There was no change in the composition of the Nomination & Remuneration Committee during the financial year 2018-19.



d) Attendance record of the Members:

The attendance record of each member of the Nomination & Remuneration Committee at the Meeting held on 9th April, 2018, 30th April, 2018, 24th July, 2018 and 01st August, 2018 are as follows :

Dates on which the Meetings were held	Attendance of Members		
	Mr. Priyam S. Jhaveri (Chairman)	Mr. Arvind R. Doshi (Member)	Mr. Pradeep N. Desai (Member)
09th April, 2019	Present	Present	Present
30th April, 2018	Present	Present	Present
24th July, 2018	Present	Present	Present
01st August, 2018	Present	Present	Present

15. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

a) Preamble:

As required under section 135 of the Companies Act, 2013, the Board in its meeting held on 19th October, 2018 has constituted Corporate Social Responsibility Committee ('CSR Committee') which comprises of the following Directors

Name of Director	Nature of Membership and Date of Appointment	Director Category
Mr. Asit D Javeri	Chairman (From 19/10/2018)	Executive Director
Mr. Arvind R. Doshi	Member (From 19/10/2018)	Non-Executive, Independent
Mr. Pradeep N. Desai	Member (From 19/10/2018)	Non-Executive, Independent

The board of Directors of the Company has approved CSR policy based on the recommendation of the CSR Committee which is available on the Company's website at <http://www.sncl.com/financials.htm>

b) Change in composition:

There was no change in the composition of the CSR Committee during the Financial Year 2018-19

c) Terms of reference of the CSR Committee:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- Adhere to Section 135 of the Companies Act, 2013 & Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modifications, amendments or re-enactments thereto for the time being in force).
- All other activities as informed or delegated by the Board of Directors from time to time

d) Attendance record of the Members:

The attendance record of each member of the CSR Committee at the Meeting held on 22nd January, 2019 are as follows:-

Dates on which the Meetings were held	Attendance of Members		
	Mr. Asit D. Javeri (Chairman)	Mr. Arvind R. Doshi (Member)	Mr. Priyam S. Jhaveri (Member)
22nd January, 2019	Present	Present	Present



## 16. INTERNAL COMPLAINT COMMITTEE FOR PREVENTION AND PROHIBITION OF SEXUAL HARASSMENT OF WOMAN

### a) Preamble

Pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Act"), the Board by passing circular resolution on 28th March, 2019, constituted the committee known as Internal Complaint Committee ("ICC") for prevention and prohibition of sexual harassment of woman which comprises of the following Directors:

Name of Director	Nature of Membership and Date of Appointment	Director Category
Mrs. Seema Javeri	Chairman (From 28/03/2019)	Executive Director
Mrs. Jyotsna Tushar Parab	Member (From 28/03/2019)	-
Mrs. Philomena Fernandes	Member (From 28/03/2019)	-
Mrs. Mamta Jatin Shah	Member (From 28/03/2019)	-

### b) Change in composition:

There was no change in the composition of the ICC during the financial year 2018-19.

### c) Terms of reference of the Committee:

a. To provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto

### d) Attendance record of the Members:

The attendance record of each member of the ICC at the Meeting held on 30th March, 2019 are as follows:

Dates on which the Meetings were held	Attendance of Members			
	Mrs. Seema Javeri (Chairperson)	Mrs. Jyotsna Tushar Parab (Member)	Mrs. Philomena Fernandes (Member)	Mrs. Mamta Jatin Shah (Member)
30th March, 2019	Present	Present	Present	Present

## 17. REMUNERATION OF DIRECTORS:

### a) Preamble:

The Company pays remuneration by way of salary, allowances and perquisites, performance allowance etc. to the Chairman, Managing Director and Company Secretary on recommendation of the Nomination & Remuneration Committee as approved by the Board of Directors and shareholders of the Company subject to approval of the Central Government if necessary.

Details of remuneration of the Directors during Financial Year 2018-19:

Name of the Director	Fixed Salary			Bonus/ performance linked incentives	Commission	Total
	Base Salary	Benefits	Total fixed salary			
Mr. Asit D. Javeri *	79,95,000	1,29,06,500	2,09,01,500	2,39,52,654	-	4,48,54,154
Mr. Abhishek A. Javeri *	79,50,000	1,28,75,000	2,08,25,000	2,39,52,654	-	4,47,77,654



Name of the Director	Fixed Salary			Bonus/ performance linked incentives	Commission	Total
	Base Salary	Benefits	Total fixed salary			
Smt. Seema A. Javeri*	78,20,000	86,80,400	1,65,00,400	1,19,76,327	-	2,84,76,727
Mr. Arvind R. Doshi	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Priyam S. Jhaveri	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Amit Mehta	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Pradeep N. Desai	Nil	Nil	Nil	Nil	Nil	Nil
<b>TOTAL</b>						

(\* )They are not eligible for sitting fees.

**b) Service Contracts:**

In accordance with the applicable provisions of the Companies Act, 2013 our shareholders approve the salary, benefits of Executive Directors. We enter into service contracts with each of our Directors containing the terms and conditions of employment including salary, performance bonus and other benefits including perks to be received by the Executive Directors.

**c) Notice Period:**

The terms of our employment arrangements with Shri. Asit D. Javeri , Shri. Abhishek Asit Javeri and Smt. Seema Asit Javeri Provided or upto six months' notice period.

**d) Severance/ Compensation fees:**

The Nomination and Remuneration Committee is entrusted with the role of reviewing the compensation of Directors.

**e) Criteria for making payment to Non - Executive Directors:**

• **Sitting Fee:**

Each Non-Executive Director is paid per meeting attended a sitting fee of Rs. 10,000/- for Board Meeting and Rs. 6,000/- for Committee Meeting.

• **Commission:**

Under the Companies Act, 2013, Section 197 allows a company to pay remuneration to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other. Further, the section also states that where the company has managing director or whole-time director or manager, then a maximum of 1% of its net profits can be paid as remuneration to its Non-Executive Director. In case there is no managing director or whole-time director or manager, then a maximum of 3% of net profit can be paid. Thus, the basis of payment to the Non-Executive Director is the net profit of the Company.

Currently the Company is not paying Commission to its Non-Executive Directors.

• **Reimbursement of actual expenses incurred:**

Non-Executive Director may also be paid / reimbursed such sums either as fixed allowance and /or actual as fair compensation for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such member for attending Board/Committee Meetings or for Company's work.



- **Payment and other consideration to independent directors:**

An independent director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or committee thereof and profit related commission up to a certain percentage of net profits in such proportion, as may be permissible under the applicable law.

#### 18. GENERAL BODY MEETING:

##### A. Details of the last three Annual General Meetings:

AGM For Financial Year Ended	Venue	Date	Time	No of Special Resolution Passed
2015-16	Sheth Hirachand Gumanji Trust Hall Hira Baug, 1st Floor, Kasturba Chowk (C.P. Tank) Mumbai - 400004	12.08.2016	3.00 p.m.	Nil
2016-17	Sheth Hirachand Gumanji Trust Hall, Hira Baug, 1st Floor, Kasturba Chowk (C.P. Tank) Mumbai - 400004	02.08.2017	3.00 p.m.	1*
2017-18	Sheth Hirachand Gumanji Trust Hall, Hira Baug, 1st Floor, Kasturba Chowk (C.P. Tank) Mumbai - 400004	30.08.2018	3.00 p.m.	3**

- \* Increase in borrowing powers of the Board of Directors.
- \*\* To re-designate Mr. Asit D Javeri, as executive chairman of the Company from his existing position of chairman and managing director.
- \*\* To re-designate Mr. Abhishek A Javeri, as managing director & CFO of the Company from his existing position of Executive Director & CFO.
- \*\* To reappoint Mrs. Seema Asit Javeri as Executive Director of the Company for period of 3 (Three) Years with effect from 1st May, 2018.

##### B. Extra-Ordinary General Meetings:

No Extra Ordinary General Meeting has been held during the year.

##### C. During the year, the members have approved the following Special Resolutions by way of Postal Ballot (Effective Date 08th March, 2019):-

1. To continue the Directorship of Mr. Arvind Raoji Doshi, as an Independent Director / Non-Executive Director:

- Brief Voting details for above Special Resolution:

Category	Mode of Voting	No of Shares Held	No of Votes Polled	% of Votes Polled on outstanding Shares	No of Votes in Favor	No of Votes Against	% of Votes in favour of votes polled	% of Votes in Against of votes polled
Promoter and Public Institution and Public Non Institution	E-Voting and Postal Ballot	9315149	6918972	74.28 %	6905919	13053	99.81 %	0.19 %



- **Procedure for Postal Ballot:**

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting) facility to all its members. The Company engages the services of NSDL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members / list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman / authorized officer. The results are also displayed on the Company website, [www.sncl.com](http://www.sncl.com) besides being communicated to the stock exchanges, depository and registrar and share transfer agent.

The last date for the receipt of duly completed Postal Ballot Forms or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

The Company successfully completed the process of obtaining approval of its shareholders for special resolutions on the items detailed above through a postal ballot.

- **Person who conducted the postal ballot exercise:**

M/s Makarand Joshi & Company, Company Secretaries, was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

#### 19. MEANS OF COMMUNICATION:

The quarterly, half yearly and annual results for Sadhana Nitro Chem Limited and the consolidated financial results for its Subsidiary Companies are published in English in Financial Express and in Marathi in Mumbai Lakshadep and are displayed on Company's website at [www.sncl.com](http://www.sncl.com).

The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchange are promptly filed on BSE Listing Centre, for dissemination on its websites.

#### 20. GENERAL SHAREHOLDER INFORMATION:

a) **Current Financial Year:**

The current financial year of the Company is 31st March, 2019.

b) **Date, time and venue of 46th Annual General Meeting of the Company:**

Date : 25th September, 2019

Time : 3.00 P.M.

Venue : at Sheth Hirachand Gumanji Trust Hall, Hira Baug, 1st Floor, Kasturba Chowk (C.P. Tank),  
Mumbai 400004, Maharashtra India.





**c) Date of Book Closure connection with 46th Annual General Meeting:**

From 19/09/2019 to 25/09/2019 (both days Inclusive)

**d) Dividend payment date:**

Within 30 days of the AGM for the financial year 2018-19.

**e) Financial Year:**

April to March

**f) Name and address of the stock exchange where Company's shares are listed:**

Name: BSE Limited

Address: Phiroze Jeebhoy Towers, Dalal Street, Kala Ghoda, Fort, Mumbai, 400001, Maharashtra India

**g) Confirmation of Payment of Listing Fess to BSE Limited:**

The Company has made payment of listing fees to BSE Limited for the Financial Year 2018-19.

**h) Financial Calendar:**

For the year ended March 31, 2019, results were announced on

First quarter	01st August, 2018
Half year	19th October, 2018
Third quarter	22nd January, 2018
Annual	28th May, 2019

**(Tentative) Results for financial year 2019-20:**

June 30, 2019	2nd week of August 2019
September 30, 2019	2nd week of November 2019
December 31, 2019	2nd week of February 2020
March 31, 2020	4th week of May 2020
Annual General Meeting	August, 2020

**i) Suspension of Securities of the Company from Stock Exchange:**

During the year 2018-19, the Company's securities have not been suspended from trading on BSE Limited.

**j) Scrip Code and ISIN Number:**

Scrip Code : 506642

ISIN Number : INE888C01032

**k) Outstanding Global Depository Receipts or American Depository Receipts or Warrants Or Any Convertible Instruments:**

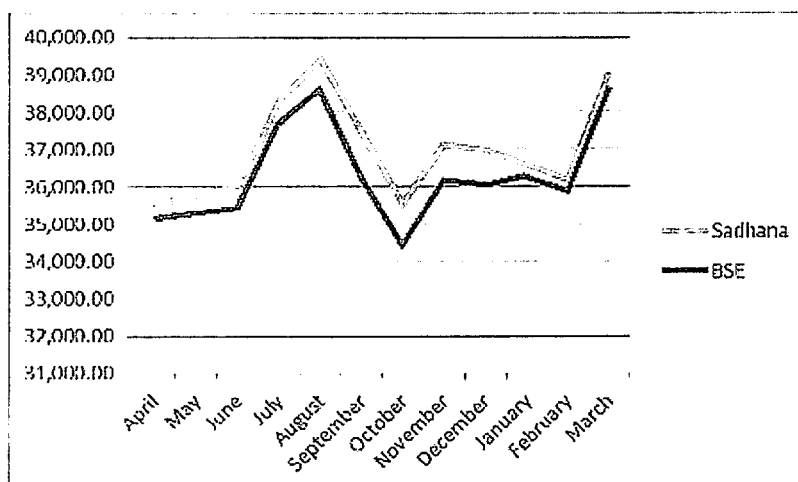
Not Applicable

**l) Dematerialisation of Shares:**

The Company's shares are tradable compulsorily in electronic form. The Company has established through its Registrar and Share Transfer Agents, connectivity with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). 97.95% of the equity shares of the company have been dematerialized as on 31st March, 2019.



m) PERFORMANCE IN COMPARISON TO BROAD BASED INDICES (SUCH AS SENSEX INDEX):



(Source : BSE website)

n) High/Low Of Market Price of Company's Shares traded on the Bombay Stock Exchange (BSE) Up-to 31st March, 2019:

Month (April 2018 to March 2019)	High	Low	Close	No. of Shares Traded	Total Turnover
April	341.70	215.10	341.70	4,77,163	12,95,68,584
May	490.15	358.75	458.35	4,30,200	18,83,11,529
June	639.40	436.20	588.05	5,87,373	31,56,01,063
July	692.45	527.20	692.45	2,48,427	14,50,16,107
August	800.45	660.10	800.45	3,79,875	28,09,37,592
September	1349.95	840.45	1151.50	3,61,624	40,17,66,815
October	1200.00	979.85	1078.20	2,30,078	25,32,63,381
November	1111.20	890.00	917.25	3,00,978	30,52,92,290
December	990.00	870.45	881.10	1,34,911	12,53,30,316
January	887.80	316.90	328.70	2,55,771	16,77,18,134
February	348.75	207.15	321.95	3,88,062	10,48,92,509
March	409.00	326.05	331.65	4,25,293	15,37,41,907

(Source : BSE website)

o) Investor Services :

The Company has appointed M/s. Link Intime India Private Limited (LIPL) (Formerly known as M/s. In-time Spectrum Registry Limited, whose address is given below, as its Registrar and Transfer Agents. The Registrar handles all matters relating to the shares of the Company including transfer, transmission of shares, dematerialisation of share certificates, subdivision /consolidation of share certificates and investor grievances. LIPL is also the Depository interface of the Company with both NSDL & CDSL



Details of LIPL are as follows:

Address : C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083.  
 Telephone No : 022-49186000  
 E-mail address : rnt.helpdesk@linkintime.co.in,  
 Fax No : 022-49186060

p) Share Transfer System:

All the transfers received are processed by Registrar and Transfer Agents. Share transfers are registered and returned within maximum of 21 days from the date of lodgment if documents are complete in all respects. In case the shares are transferred through demat mode, the procedure is adopted as stated in Depositories Act, 1996.

21. SHARE HOLDING PATTERN AS ON 31ST MARCH, 2019:

Category	No. of Shares	Percentage
Promoters	1,37,97,352	74.05
Mutual Funds and UTI	1,120	0.006
Banks, Financial Institutions & Insurance Companies	22,838	0.12
Bodies Corporate	3,26,205	1.75
Indian Public	42,44,908	22.785
NRIs/Foreign Nationals	1,08,733	0.5836
Foreign Portfolio Investor	11,660	0.626
NBFC Registered with RBI	20	0.0001
Others	1,17,462	0.6305
Total	9315149	100.00

Pursuant to Regulation 3(1) (e) (i) of Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and subsequent amendments thereto, Promoter Group and Persons acting in concert consists of Manekchand Panachand Trading Investment Company Private Limited and Mr. Asit D. Javeri & his family.

22. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2019:

Sr. No	SHAREHOLDING OF SHARES	SHAREHOLDERS	PERCENTAGE OF TOTAL SHAREHOLDERS	TOTAL SHARES	PERCENTAGE OF TOTAL SHARES
1.	1 - 5000	8007	98.43	24,03,325	12.90
2.	5001 - 10000	59	0.72	4,13,156	2.22
3.	10001 - 20000	30	0.36	4,44,726	2.38
4.	20001 - 30000	10	0.12	2,42,172	1.30
5.	30001 - 40000	8	0.10	2,77,280	1.49
6.	40001 - 50000	4	0.05	1,71,508	0.92
7.	50001 - 100000	7	0.10	4,27,101	2.29
8.	100001 or Above	9	0.12	1,42,51,030	76.50

**23. UNCLAIMED DIVIDEND:**

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of 7 years to the Investor Education and Protection Fund (IEPF) established by the Government. The Company has already transferred the unclaimed dividend for the year ended 31st March, 2008 to the IEPF. No unpaid / unclaimed dividend remains to be transferred to IEPF.

**24. PLANT LOCATION:**

Sadhana Nitro Chem Limited, 47, MIDC Industrial Area, Roha, Dist. Raigad, Maharashtra - 402 116.  
Telephone : DhataV-02194-263801-2-3  
Fax : (91)02194-263522

**25. SUBSIDIARIES:**

The Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

**26. OTHER DISCLOSURES:**

(a) **Materially Significant related party transactions:** The particulars of transactions between the Company and its related parties as per the Accounting Standard -18 are set out at Note 35 in Notes to Accounts in the Annual Report. These transactions are not likely to have any conflict with Company's interest. The Company also has the policy on Materiality of Related Party Transaction. The details of such policy are available on the website of the Company at <http://www.sncl.com/newpdf/policy/Policy%20on%20Related%20Party%20Transaction.pdf>.

(b) **Management Disclosures:** The Senior Management Personal have been making disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large. Based on the disclosures received, none of the Senior Management Personnel has entered into any such transactions during the year.

(c) **Strictures and Penalties:** There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter relating to the capital markets during the last three years.

(d) **Risk Management Framework:** The Board of Directors has adopted the Risk Assessment Procedure. The procedure provides an approach by the top Management to identify potential events that may affect the Company, to manage the risk within its risk appetite and to provide reasonable assurance regarding the achievement of objectives of the Company. The Senior Management priorities the risk and finalize the action plan for mitigation of the key risks.

(e) **Whistle Blower Policy:** The Company has a vigil mechanism and whistle blower policy under which it takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee the policy has been put up on the company's website at <http://www.sncl.com/newpdf/policy/Whistle%20Blower%20Policy.pdf>.

**(f) Details of utilization of funds raised through preferential allotment or qualified institutions placement:**

During the year 2018-19, the Company has not raised any amount through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

**(g) Disqualification / Debar of Directors of the Company:**

A certificate provided by M/s. Makarand M Joshi & Co. Practicing Company Secretary was placed before the Board of Directors of the Company in its meeting held on 28th May, 2019. On the basis of certificate provided by M/s. Makarand M Joshi & Co.



Practicing Company Secretary the Board of Directors of the Company take a cognizance that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority. Certificate provided by M/s. Makarand M Joshi & Co. Practicing Company Secretary is annexed hereto and marked as Exhibit - B to this report.

**(h) Acceptance of recommendation of Committee:**

During the year 2018-19, all the suggestions / recommendations of all the committees of the Board, have been accepted by the Board of Directors.

**27. CODE OF CONDUCT AND CERTIFICATE ON COMPLIANCE THEREOF:**

Certificate signed by the chief financial officer stating that the members of Board and Senior Management personnel have affirmed compliance with the code of conduct of board of directors and senior management is annexed hereto and marked as Exhibit - C to this report.

**28. CEO / CFO CERTIFICATION:**

The certificate is placed before the Board by the Chairman and Managing Director & CFO of the Company. This certificate is being given to the Board pursuant to Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule II Part B of the said regulations.

The aforesaid certificate duly signed by the Chairman and Managing Director & CFO in respect of the financial period ended 31st March, 2019 has been placed before the Board in the meeting held on 11th April, 2019 is annexed hereto and marked as Exhibit - D to this report.

**29. SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL:**

As stipulated by SEBI a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out periodically and thereon is submitted to the Listed Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

**30. ADDRESS FOR CORRESPONDENCE:**

Sadhana Nitro Chem Limited	Link Intime India Pvt. Ltd (RTA) (Formerly known as Intime Spectrum Registry Ltd),
Regd. Office: Hira Baug, 1st Floor, Kasturba Chowk (C.P Tank), Mumbai - 400 004.	C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai-400 083
Tel : 022-23865629	Telephone No. 022-49186000
Fax :(91)22-23887235	Fax No. 022-49186060
E-mail :sadhananitro@sncl.com	E-mail : rnt.helpdesk@linkintime.co.in
Website : www.sncl.com	Website: <a href="https://linkintime.co.in/contact-us.html">https://linkintime.co.in/contact-us.html</a>



EXHIBIT - A

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members,  
Sadhana Nitro Chem Limited

We have examined the compliance of conditions of Corporate Governance by Sadhana Nitro Chem Limited, for the year ended on 31st March, 2019 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI(Listing Obligations and Disclosure Requirements), Regulations 2015.

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

For Chandrashekar Iyer & Co.  
Chartered Accountants

Chandrashekar Iyer  
Proprietor  
Firm Regn. No: 109208W  
Membership No: 12  
Place: Mumbai  
Dated: 08th August, 2019



## EXHIBIT-B

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
**The Members**  
**Sadhana Nitro Chem Limited,**  
Address: Hira Baug, 1st Floor, Kasturba Chowk, (C.P. Tank), Mumbai - 400004.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sadhana Nitro Chem Limited having CIN: L24110MH1973PLC016698 and having registered office at Hira Baug, 1st Floor, Kasturba Chowk, (C.P. Tank), Mumbai - 400004 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule-V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Table A

Sr No.	Name of the Directors	Director Identification Number	Date of appointment in Company
1.	Mr. Asit Dhankumar Javeri	00268114	01/09/2015
2.	Mr. Abhishek Asit Javeri	00273030	30/08/2018
3.	Mrs. Seema Asit Javeri	01768936	13/02/2014
4.	Mr. Arvind Raoji Doshi	00015293	17/09/1974
5.	Mr. Pradeep Nanasaheb Desai	01602942	12/02/2013
6.	Mr. Priyam Shantilal Jhaveri	00045038	11/03/1996
7.	Mr. Amit Mahendra Mehta	00073907	30/04/2018

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

For Makarand M. Joshi & Co.  
Practicing Company Secretaries  
Sd/-  
Kumudini Bhalerao  
Partner  
FCS No. 6667  
CP No. 6690  
Place: Mumbai  
Date: 16th July, 2019.



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EXHIBIT - C

CODE OF CONDUCT AND CERTIFICATE ON COMPLIANCE THEREOF

This is to confirm that Company has adopted the Code of Conduct for Directors and Senior Management of the Company and is available on the website of the Company.

I hereby confirm that the Company has obtained affirmation from all the Members of the Board and the Senior Management Personnel that they have complied with the Code of Conduct for the Financial Year 2018-19.

This certificate is being given pursuant to Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Abhishek A. Javeri  
Managing Director & CFO

Place: Mumbai  
Date: 08th August, 2019





EXHIBIT - D

CEO/CFO CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To  
The Board of Directors,  
Sadhana Nitro Chem Limited

A. I have reviewed the financial statements and the cash flow statement of Sadhana Nitro Chem Limited for the year ended 31st March, 2019 and to the best of our knowledge and belief:

I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

II. 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 my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectifying these deficiencies.

D. I have indicated to the Auditors and the Audit Committee:

I. Significant changes in internal control over financial reporting during the year;

II. Significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and

III. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Sadhana Nitro Chem Limited

\_\_\_\_\_  
Abhishek A. Javeri  
Managing Director & CFO  
Place: Mumbai  
Date: 28th May, 2019

\_\_\_\_\_  
Asit D Javeri  
Executive Chairman  
Place: Mumbai  
Date: 28th May, 2019



## ANNEXURE - VI

## Management Discussion and Analysis Report

**Industry Structure and Development:**

Your company is engaged in manufacture of chemical intermediates, heavy organic chemicals and performance chemicals. India emerged as one of the major source for chemical intermediates.

**Opportunities & Threats:**

Moreover, over the last year the Chinese Government has starting paying strict attention to pollution control. On several occasions, companies in the same vertical, those are involved in the same product production as your company has faced several temporary suspensions. This has not only increased costs in China, but has also further increased credibility of your company in the international markets.

Your company is in the industry since last over 45 years. It has a very high degree of operating synergy, economies of scale and high quality standards. The products of your company have diverse uses and applications in several industries ranging from paper, pharmaceutical, agro chemicals, thermal dyes, light stabilizer, aerospace, dyes and hair dyes etc. Your company has good clientele base, which is well diversified over the World.

Besides, the domestic market has shown growth.

**Operational Performance:**

The Companies growth considering the past few years' performance has Outstanding. The Company is striving further increasing profits. The total revenue from the operations for the year ended March 31, 2018 escalated to Rs. 11,115 Lakhs as against Rs. 5,949 Lakhs in a previous financial year registering growth of 87%.

**Market and Outlook:**

Your company has healthy order book position. Despite continued slowdown in the Global economies, the demand of your company's end products have increased globally and are expected to do so significantly over the coming years.

A better product mix, operational efficiency and stringent control on the cost have contributed towards increasing productivity, production and operating margins. These factors witnessed during the year are expected to continue going forward.

The Company continued to focus on cost control at every level to improve the operational efficiency which along with the increased operating level and upward revision of product prices is expected to maintain growth trend. Continuous efforts are being made for efficient energy and raw material consumption. The rate of flow of orders is encouraging. Production facilities are realigned and will be expanded to meet the demand. Your company, barring unforeseen circumstances, expects to further improve the turnover and performance.

**Risks and Concerns:**

Since raw materials form an important component of your company's value chain, foreign exchange, cost and availability of some of the key raw materials like benzene, nitric acid, caustic potash, Sulphur based chemicals, iron powder are an area of concern.

**Internal Control System and their Adequacy:**

The Company has an adequate Internal Control System commensurate with the size and nature of its business. The preparation designing and documentation of Policy on Internal Financial Control has been finalized and implemented which will be reviewed periodically and modified suitably to ensure controls. The internal audit functions are carried out by a separate firm of Chartered Accountants. The quarterly audit reports, including significant audit observations and corrective actions thereon, are presented to the Chairman of the Audit Committee.



**Discussion on Financial Performance with Respect to Operational Performance:**

The Company's revenue from operations has substantially increased to Rs. 26,716/-Lakhs as compared to the previous year of Rs. 11,115/- Lakhs registering growth of 140%.

**Human Resources:**

Human Resource programs and initiatives in SNCL are aligned to meet the business needs. Your company believes in investing in people to develop and expand their capability. The Company has been able to create a favorable work environment that motivates performance, customer focus and innovation. SNCL's strategies are based, inter alia, on processes of continuous learning and improvement.

**Cautionary Statement:**

Statements in the Management Discussion & Analysis Report describing the Company's expectations, opinion, and predictions may please be considered as "forward looking statements" only. Actual results could differ from those expressed or implied. Company's operations should be viewed in light of changes in market conditions, prices of raw materials, economic developments in the country and such other factors.

**Key Financial Ratios:**

Sr. No	Particulars of Ratio	31.03.2019 (In %)	31.03.2018 (In %)	Explanation for change in Ratios
1.	Debtors Turnover	12	104	Increase operational level
2.	Inventory Turnover	22	43	Increase operational level
3.	Interest Coverage Ratio	10	6	Increase operational level
4.	Current Ratio	1.45	0.90	Increase operational level
5.	Debt Equity Ratio	1.17	2.52	Increase operational level
6.	Operating Profit Margin (%)	44	30.03	Increase operational level
7.	Net Profit Margin (%)	28.18	28.31	Increase operational level

**Details pertaining to Net-worth of the Company:**

Particulars	31.03.2019 (In %)	31.03.2018 (In %)	Explanation for change in Net-worth
Net-worth	1,04,76,32,180	46,05,06,604	Increase operational level

For and On Behalf of the Board of Directors  
Sadhana Nitro Chem Limited

ASIT D. JAVERI  
EXECUTIVE CHAIRMAN  
DIN: 00268114  
Address: Ratnagar Palace 37 Chowpatty Seaface  
Mumbai 400007  
Place: Mumbai  
Date: 08th August, 2019



## ANNEXURE-VII

**INFORMATION REQUIRED UNDER SECTION 134(3)(m) OF COMPANIES ACT, 2013 AND RULE 8(3) OF COMPANIES ACCOUNTS RULES, 2014.**

**1. CONSERVATION OF ENERGY**

Steps taken for further conservation of Energy:

The Company has taken several measures to conserve and optimize the use of energy such as  
(a) Recycling of Water (b) Use of Briquettes in place of Furnace Oil (c) Waterharvesting.

Impact of the above measures:

The measures stated above would further improve conservation of energy, reduction in water and air pollution, reduction in cost of production etc.

During the year under review there is no Capital Expenditure incurred in respect of conservation of energy.

**FORM-A : FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION**

	Particulars	31.03.2019	31.03.2018
<b>1</b>	<b>Electricity</b>		
a)	Purchased Unit in kwh	43,19,712	28,88,246
	Total amount (Rs.)	3,80,84,440	24,13,42,273
	Rate/Unit (Rs.)	8.81	8.36
b)	Own generation		
	Through Diesel Generator Units in (kwh)	55265	1,27,816
	Unit per liter of diesel oil (kwh)		
	Liter of Diesel		
	Total amount (Rs.)	16,75,638	35,55,698
	Cost/Units (Rs.)	30.32	27.81
<b>2</b>	<b>Furnace Oil</b>		
	Quantity (KL)	3232.235	2720.530
	Total Cost (Rs.)	11,05,82,652	70557990
	Average Rate ( /MT)	34212.44	25935.38
<b>3</b>	<b>Briquettes</b>		
	Quantity (MT)	-	-
	Total Cost (Rs.)	-	-
	Average Rate (Rs./MT)	-	-
<b>4</b>	<b>Water</b>		
	Quantity (M3)	128438	74992
	Total Cost (Rs.)	3976821	2474270
	Average Rate (Rs./M3)	30.962	33.00



## 2. TECHNOLOGY ABSORPTION

### FORM-B: FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY

#### RESEARCH AND DEVELOPMENT

A. Specific areas in which R&D carried out by the Company. The R&D efforts of the Company are directed towards process development, energy conservation, Pollution control, efficiency improvement and quality up-gradation.

B. Benefits derived as a result of the above R&D.

R&D efforts have resulted in development of process for several chemical intermediates, the commercial production of which are commenced, besides improving quality and operating efficiency of existing products.

C. Future Plan of Action  
To continue R&D in the relevant areas to achieve its benefits

D. Expenditure on R&D

	Particulars	31.03.2019	31.03.2018
(a)	Capital	22,12,725	0
(b)	Recurring	41,14,645	40,22,927
	Total	63,27,370	40,22,927
(c)	Total R&D expenditure as a % of total turnover	0.24 %	0.35 %

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

A. Efforts, in brief, made towards technology absorption, adaptation and innovation. The Company has commenced production of some items of chemical intermediates, the process for which has been developed in R&D.

B. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc. There is improvement in quality and yield of the product and has widened product range for marketing.

C. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year). No imported technology during last 5 years.

#### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services and export plans. The Company is exporting about 75.02 % of its chemical intermediate production. The total exports during the year were Rs.19282 Lakhs (PY Rs. 8163 Lakhs). The Company is putting all its efforts to tap new export markets and widen its clientele base.

B. Total Foreign Exchange used and earned. (In Rs.)

	Particulars	31.03.2019	31.03.2018
(i)	Used:		
	a) Imports (CIF)	15,97,14,241	1,55,88,267
	b) Other expenditure	78,51,683	8,36,014
(ii)	Earned:		
	Exports (F.O.B.)	1,92,82,62,106	81,09,07,629

For and On Behalf of the Board of Directors  
Sadhana Nitro Chem Limited

DIN: 00268114  
Address: Ratnagar Palace 37 Chowpatty  
Seaface, Mumbai 400007  
Place: Mumbai  
Date: 08th August, 2019

ASIT D. JAVERI  
EXECUTIVE CHAIRMAN



**ANNEXURE VIII**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31st March 2019**  
**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies**  
**(Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

CIN	:	L24110MH1973PLC016698
Registration Date	:	21/07/1973
Name of the Company	:	SADHANA NITRO CHEM LIMITED
Category / Sub-Category of the Company	:	Company Limited by Shares Non-Govt. Company
Address of the Registered office and contact details	:	Hira Baug, 1 <sup>st</sup> floor Kasturba Chowk ( C.P.Tank), Mumbai-400004
Whether listed company	:	Yes
Name, Address and Contact of Registrar and Transfer Agent, if any:	:	Link Intime India Pvt. Ltd C 101, 247 Park, L.B.S.Marg, Vikhroli West, Mumbai - 400083 TelephoneNo.022-49186000 FaxNo.022-49186060 E-mail: rnt.helodesk@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

Manufacture of Chemical Intermediates, Heavy Organic Chemicals & Performance Chemicals

All the business activities contributing 10% or more of the total turnover of the company

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	META AMINO PHENOL	3009	69.60%
2.	SND 27 (ODB-2)	2023	24.66%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section
1.	Manekchand Panachand Trading Investment Co. P. Ltd.	U67120MH1985PTC037397	Holding Company	65%	2(46)
2.	Anuchem B.V.B.A., Belgium	Not Applicable	Foreign Subsidiary	100%	2(8) <sup>7)</sup>
3.	Spidigo Net Private Limited	U64100GJ2016PTC086551	Subsidiary	100%	2(87)
4.	Lifestyle Networks Ltd.	U72900MH2005PTC155530	Associate	--	2(6)
5.	Phthalo Colours & Chemicals (I) Ltd.	U24110MH1991PTC063399	Associate	--	2(6)



## I SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

## i. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	11,98,654	2,28,638	14,28,166		18,73,380	2,750	18,76,130		
b) Central Govt	-	-	-		-	-	-		
c) State Govt(s)	-	-	-		-	-	-		
d) Bodies Corp.	1,19,21,222	-	1,19,21,222		1,19,21,222	-	1,19,21,222		
e) Banks / FI	-	-	-		-	-	-		
f) Any other	-	-	-		-	-	-		
Sub-total(A)(1):	1,31,20,750	2,28,638	1,33,49,388		1,37,86,756	2,750	1,37,89,506		
(2) Foreign									
a) NRIs - Individuals	-	-	-		-	-	-		-
b) Other - Individuals	-	-	-		-	-	-		-
c) Bodies Corp.	-	-	-		-	-	-		-
d) Banks / FI	-	-	-		-	-	-		-
e) Any other	-	-	-		-	-	-		-
Sub-total (A)(2):	-	-	-		-	-	-		-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1,31,19,876	2,28,638	1,33,48,514		1,37,86,756	2,750	1,37,89,506		
<b>B. Public Shareholding</b>									
(1) Institutions									
a) Mutual Funds	720	400	1,120		720	400	1,120		
b) Banks / FI	924	318	1,242		22,520	318	22,838		
c) Central Govt	-	-	-		-	-	-		-
d) State Govt(s)	-	-	-		-	-	-		-
e) Venture Capital Funds	-	-	-		-	-	-		-
f) Insurance Companies	-	-	-		-	-	-		-
g) Foreign Portfolio Investor	-	-	-		11,660	-	11,660		
h) Foreign Venture Capital Funds	-	-	-		-	-	-		-
i) Others (specify)	-	-	-		-	-	-		-
Sub-total (B)(1):	1,644	718	2,362		34,900	718	35,618		
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	24,44,358	4,16,742	28,61,100		25,22,593	3,72,628	28,95,221		
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	15,26,298	85,500	16,11,798		13,57,533	0	13,57,533		



NBFC registered with RBI	-	-	-		20	0	20		
c) Others (specify)									
Independent Relatives Of Director	49,926	4,826	54,752		-	-	-		
Hindu Undivided Family	1,31,122	0	1,31,122		96,690	0	96,690		
Non Resident Indians (Re pat)	1,12,210	10,988	1,31,122		84,235	2,588	86,823		
Non Resident Indians (Non-Re pat)	12,012	0	12,012		21,910	0	21,910		
Clearing Members	1,02,990	0	1,02,990		20,772	0	20,772		
Independent Director	19,592	16,004	35,596		-	-	-		
Bodies Corporate	3,43,642	2,338	3,45,980		3,23,867	2,338	3,26,205		
Sub-total(B)(2):	47,42,150	5,36,398	52,78,548		44,27,620	3,77,554	48,05,174		
Total Public Shareholding (B)={B}(1)+{B}(2)	47,43,794	5,37,116	52,80,910		44,62,520	3,78,272	48,40,792		
C. Shares held by Custodian for GDRs & ADRs	-	-	-		-	-	-		
Grand Total (A+B+C)	1,78,64,544	7,65,754	1,86,30,298		1,82,49,276	3,81,022	1,86,38,298		

## ii. SHAREHOLDING OF PROMOTERS:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Manekchand Panachand Trading Investment Co. P.Ltd.	1,19,21,222		59.78	1,19,21,222		-	-
2.	Asit D. Javeri	7,77,518		0.00	9,56,180		-	-





Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
3.	Molina D. Javeri	1,59,322		0.00	1,59,322		-	-
4.	Abhishek A. Javeri	3,02,838		0.00	5,62,168		-	-
5.	Sadhana Rajiv Jain	58,380		0.00	58,380		-	-
6.	Chandrika D. Javeri	58,380		0.00	58,380		-	-
7.	Seema A. Javeri	36,654		0.00	36,654		-	-
8.	Anuradha A. Javeri	34,200		0.00	37,200		-	-
	<b>TOTAL</b>	<b>1,33,48,514</b>		<b>59.78</b>	<b>1,37,89,506</b>		-	-

## iii. CHANGE IN PROMOTERS' SHAREHOLDING:

Sl. No.	Shareholding at the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	For each of the Directors and KMP				
	Manekchand Panachand Trading Investment Co Pvt. Ltd				
	At the beginning of the year	1,19,21,222		1,19,21,222	
	Date wise Increase / Decrease in Shareholding during the year	No Change			
	At the End of the year	1,19,21,222		1,19,21,222	
2.	Shri. Asit D. Javeri				
	At the beginning of the year	7,77,518		7,77,518	
	Purchase 01 <sup>st</sup> June, 2018	66,000		8,43,518	
	Purchase 08 <sup>th</sup> June, 2018	86,524		9,30,042	
	Purchase 15 <sup>th</sup> June, 2018	23,988		9,54,030	
	Purchase 22 <sup>nd</sup> June, 2018	2,150		9,56,180	
	At the End of the year	9,56,180		9,56,180	
3.	Smt. Molinadevi Dhankumar Javeri				
	At the beginning of the year	1,59,322		1,59,322	
	Date wise Increase / Decrease in Shareholding during the year	No Change			
	At the End of the year	1,59,322		1,59,322	



Sl. No.	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	For each of the Directors and KMP	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4.	Shri. Abhishek A Javeri				
	At the beginning of the year	3,02,838		3,02,838	
	Purchase 01 <sup>st</sup> June, 2018	70,918		3,73,756	
	Purchase 08 <sup>th</sup> June, 2018	1,00,794		4,74,550	
	Purchase 15 <sup>th</sup> June, 2018	32,470		5,07,020	
	Purchase 22 <sup>nd</sup> June, 2018	55,148		5,62,168	
	At the End of the year	5,62,168		5,62,168	
5.	Smt. Chandrika Dhankumar Javeri				
	At the beginning of the year	58,380		58,380	
	Date wise Increase / Decrease in Shareholding during the year	No Change			
	At the End of the year	58,380		58,380	
6.	Smt. Sadhana Rajiv Jain				
	At the beginning of the year	58,380		58,380	
	Date wise Increase / Decrease in Shareholding during the year	No Change			
	At the End of the year	58,380		58,380	
7.	Smt. Seema Asit Javeri				
	At the beginning of the year	36,654		36,654	
	Date wise Increase / Decrease in Shareholding during the year	No Change			
	At the End of the year	36,654		36,654	
8.	Smt. Anuradha A Javeri				
	At the beginning of the year	34,200		34,200	
	Purchase 01 <sup>st</sup> June, 2018	3,000		37,200	
	At the End of the year	37,200		37,200	



iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sl. No.	Shareholding at the beginning of the year	Cumulative Shareholding during the year			
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	For each of the Top 10 Shareholders				
1.	Veena Jagwani				
	At the beginning of the year	2,67,546		2,67,546	
	Sale 06 <sup>th</sup> July, 2018	(1,60,000)		1,05,746	
	Purchase 20 <sup>th</sup> July, 2018	1,60,000		2,67,546	
	At the End of the year	2,67,546		2,67,546	
2.	Vinod Kumar Ohri				
	At the beginning of the year	2,12,592		2,12,592	
	Date wise Increase / Decrease in Shareholding during the year	No Change			
	At the End of the year	2,12,592		2,12,592	
3.	Nanavati Sons Pvt Ltd				
	At the beginning of the year	1,80,000		1,80,000	
	Date wise Increase / Decrease in Shareholding during the year	No Change			
	At the End of the year	1,80,000		1,80,000	
4.	Mohak Amit Mehta				
	At the beginning of the year	Nil		Nil	
	Purchase 01 <sup>st</sup> February 2019	69,500		69,500	
	Purchase 15 <sup>th</sup> February 2019	500		69,500	
	At the End of the year	69,500		69,500	
5.	Ketan Chhotatalal Sheth				
	At the beginning of the year	1,28,498		1,28,498	
	Sale 13 <sup>th</sup> April, 2018	(10,000)		1,18,248	
	Sale 20 <sup>th</sup> April, 2018	(6,000)		1,12,248	
	Sale 27 <sup>th</sup> April, 2018	(20,000)		92,248	
	Purchase 20 <sup>th</sup> July, 2018	64,498		1,56,746	
	Sale 06 <sup>th</sup> July, 2018	(15,000)		141,746	
	Sale 26 <sup>th</sup> October, 2018	(64,498)		77,248	
	At the End of the year	77,248		77,248	



Sl. No.	Shareholding at the beginning of the year	Cumulative Shareholding during the year			
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	For each of the Top 10 Shareholders				
6.	Amit M Mehta				
	At the beginning of the year	84,372		84,372	
	At the End of the year	84,372		84,372	
7.	Harsh Amit Mehta				
	At the beginning of the year	66,000		66,000	
	Purchase 11 <sup>th</sup> May, 2018	1,000		67,000	
	Purchase 07 <sup>th</sup> September, 2018	454		67,454	
	Purchase 08 February 2019	454		67,908	
	Purchase 15 <sup>th</sup> February 2019	500		68,408	
	At the End of the year	68,408		68,408	
8.	Sunilkumar Prakashchand Mehra				
	At the beginning of the year	Nil		Nil	
	Purchase 01 <sup>st</sup> February, 2019	67,742		67,742	
	Purchase 08 <sup>th</sup> March, 2019	14		67,756	
	Purchase 15 <sup>th</sup> March, 2019	25		67,781	
	At the End of the year	67,781		67,781	
9.	B Ramachandra Kamath				
	At the beginning of the year	Nil		Nil	
	Purchase 01 <sup>st</sup> February, 2019	48,800		48,800	
	At the End of the year	48,800		48,800	
10.	Nitin Rameshchandra Jani				
	At the beginning of the year	54,784		54,784	
	Date wise Increase / Decrease in Shareholding during the year	No change			
	At the End of the year	54,784		54,784	



## v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year	Cumulative Shareholding during the year		
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Shri. Asit D. Javeri				
	At the beginning of the year	7,77,518		7,77,518	
	Purchase 01 <sup>st</sup> June, 2018	66,000		8,43,518	
	Purchase 08 <sup>th</sup> June, 2018	86,524		9,30,042	
	Purchase 15 <sup>th</sup> June, 2018	23,988		9,54,030	
	Purchase 22 <sup>nd</sup> June, 2018	2,150		9,56,180	
	At the End of the year	9,56,180		9,56,180	
2.	Shri. Abhishek A Javeri				
	At the beginning of the year	3,02,838		3,02,838	
	Purchase 01 <sup>st</sup> June, 2018	70,918		3,73,756	
	Purchase 08 <sup>th</sup> June, 2018	1,00,794		4,74,550	
	Purchase 15 <sup>th</sup> June, 2018	32,470		5,07,020	
	Purchase 22 <sup>nd</sup> June, 2018	55,148		5,62,168	
	At the End of the year	5,62,168		5,62,168	
3.	Smt. Seema Asit Javeri				
	At the beginning of the year	36,654		36,654	
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No Change			
	At the End of the year	36,654		36,654	
4.	Nitin Rameshchandra Jani				
	At the beginning of the year	54,784		54,784	
	Date wise Increase / Decrease in Shareholding during the year	No change			
	At the End of the year	54,784		54,784	
5.	Arvind Raoji Doshi				
	At the beginning of the year	24,996		24,996	
	Date wise Increase / Decrease in Shareholding during the year	No Change			
	At the End of the year	24,996		24,996	



Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year	Cumulative Shareholding during the year		
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6.	Pradeep Nanahe Desai				
	At the beginning of the year	200		200	
	Date wise Increase / Decrease in Shareholding during the year	No Change			
	At the End of the year	200		200	
7.	Priyam Shantilal Jhaveri				
	At the beginning of the year	400		400	
	Date wise Increase / Decrease in Shareholding during the year	No Change			
	At the End of the year	400		400	
8.	Amit M Mehta				
	At the beginning of the year	84,372		84,372	
	Date wise Increase / Decrease in Share holding during the year	No Change			
	At the End of the year	84,372		84,372	

\*Shri Amit M Mehta has been appointed as Additional Independent Director of the Company with effect from 30th April, 2019 and were regularized as Independent Director in 45th Annual General Meeting of the Company held in year 2018 - 19

#### vi. INDEBTEDNESS:

	Secured Loan excluding deposits	Unsecured Loans	Inter Corporate Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
Principal amount	99149973	--	14715856	113865829
Interest due but not paid	--	--	--	--
Interest accrued but not due	--	--	--	--
<b>Total (i + ii + iii)</b>	99149973	--	14715856	113865829
<b>Changes in Indebtedness during the financial Year</b>				
Addition	--	--	--	--
(Reduction)	(20989375)	--	(13583925)	(34573300)
<b>Net Change</b>	(20989375)	--	(13583925)	(34573300)
<b>Indebtedness at the end of the financial year</b>				
i) Principal amount	77924280	--	--	77924280
ii) Interest due but not paid	236318	--	--	236318
iii) Interest accrued but not due	--	--	--	--
<b>Total (i + ii + iii)</b>	78160598	--	1131931	79292529



## vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

## A. REMUNERATION TO MANAGING DIRECTOR / WHOLE TIME DIRECTOR/ MANAGER:

Sr No	Particulars of Remuneration	Total Amount		
		Shri. Abhishek Javeri Managing Director	Shri. Asit D. Javeri Executive Chairman	Smt. Seema A. Javeri Executive Director Administration.
1.	Grosssalary			
	a. Salary as per provisions contained in section 17 (1) of the Income -tax Act,1961	3,19,02,654	3,19,47,654	1,97,96,327
	b. Value of perquisites u/s 17 (2) Income -tax Act,1961	1,28,75,000	1,29,06,500	86,80,400
	c. Profits in lieu of salary under section 17 (3) Income -tax Act,1961		--	--
2.	Stock Option	-	---	---
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit	---	---	---
	- others, specify - (GuaranteeCommission)	---	---	---
5.	Others	-	---	--
	Total (A)	4,47,77,654	4,48,54,154	2,84,76,727

## B. REMUNERATION TO OTHER DIRECTORS:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Arvind Doshi	Priyam Jhaveri	Amit Mehta	Pradeep Desai	
1.	Independent Directors					
	• Fee for attending board / committee meetings	1,27,000	1,27,000	60,000	1,11,000	4,25,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	1,27,000	1,27,000	60,000	1,11,000	4,25,000
2.	Other Non - Executive Directors					
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	1,27,000	1,27,000	60,000	1,11,000	4,25,000
	Overall Ceiling as per the Act	Ceiling as per the Act Rs. 1 Lakh per meeting attended per Director				



## C. REMUNERATION TO KMP OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
			Nitin R. Jani	Abhishek Javeri	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	85,69,000	3,19,02,654	4,04,71,654
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	1,28,75,000	1,28,75,000
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	--
2	Stock Option	-	-	-	--
3	Sweat Equity	-	-	-	--
4	Commission	-	-	-	--
	- as % of profit	-	-	-	--
	- others, specify	-	-	-	--
5	Others, please specify	-	-	-	--
	Total	-	85,69,00	4,47,77,654	5,33,46,654

## viii. 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)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and On Behalf of the Board of Directors  
Sadhana Nitro Chem Limited

ASIT D. JAVERI  
EXECUTIVE CHAIRMAN  
DIN: 00268114  
Address: Ratnagar Palace, 37 Chowpatty Seaface, Mumbai 400007  
Place: Mumbai  
Date: 08th August, 2019





## ANNEXURE - IX

**Disclosure under Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration) Rules, 2014**

A. The particulars of employees, who were in receipt of remuneration not less than Rs. 60 lacs for the Financial Year ended on 31st March, 2019 are given below:

Name of the Employee	Mr. Asit D. Javeri
Designation of Employee	Executive Chairman
Remuneration received	₹ 4,48,54,154
Nature of employment	Contractual
Date of Commencement of Employment	22-01-1985
Qualification of the Employee	B. Sc. (Hon)
Experience of the Employee	34 years
Age of the Employee	63 years
Last Employment	Bec Chemical Pvt. Ltd.

Mr. Asit D. Javeri is related to Mrs. Seema A. Javeri and Mr. Abhishek A. Javeri, Director of the Company

B. Disclosure under Section 197 (12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration) Rules, 2014.

I. The percentage increase in remuneration of the Executive Directors, Chief Financial Officer and Company Secretary during the financial year 2018-19, the ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year and the comparison of remuneration of each Key Managerial personnel (KMP) against the performance of the Company is as under:

Sr. No.	Name	Designation	Remuneration for F.Y. 2018 -19 (in Rs)	% increase in the remuneration for financial year 2018-19	Ratio of remuneration of Director to median remuneration of employees	Comparison of the remuneration against the performance of the company
1.	Asit D. Javeri	*Executive Chairman	4,48,54,154	109.59%	79.74	243.1855 % Increase in EBIDTA of Company
2.	Seema A. Javeri	Wholetime Director	2,84,76,727	970.07%	62.95	
3.	Abhishek A. Javeri	Managing Director & Chief Financial Officer	4,47,77,654	291.99%	79.45	
4.	Nitin R. Jani	Company Secretary	85,69,000	41.53%	32.69	

II. The median remuneration of employees during the financial year was Rs. 262129

III. There were 232 permanent employees on the rolls of the Company as on 31st March, 2019.



IV. In the financial year there was an increase of 12.04% in the median remuneration.

V. Average increase made in the salaries of employees other than the managerial personnel in the financial year 2018-19 was 61.01 % and average in- in the managerial remuneration w.r.t the managerial personnel for the financial year 2018-19 was 146.12%.

VI. It is hereby affirmed that the remuneration is paid as per the remuneration policy of the company.

VII. List of top 10 employees in terms of remuneration drawn.

Sr. No.	Name of the Employee	Designation	Remuneration	Date of commencement of employment	Age of employee	Last employment held by such employee	Qualification
1	R.M Gandhi	DGM(Accounts)	12,00,000	14.08.1977	60	1st Employment	B. Com
2	G.K Kutty	DGM(Prod)	12,00,000	21.03.1979	65	1st Employment	B.Sc (Chem)
3	V.Ramakrishnan	DGM(Admn)	12,00,000	22.06.1987	65	RDC Muscut	S.S.L.C
4	M.M. Bhate	DGM(Project)	12,00,000	01.11.1993	60	IBI Chemature Pvt. Ltd	D.Mech (Draftsman)
5	Pranav S. Shah	CEO(SBU)	39,64,497	01.01.2018	50	E Info chips Ltd.	B.E.M.S(Com)
6	S.A Salian	DGM(R&D)	8,76,000	27.08.1984	59	Jayant Oil Mill	B.A.
7	V.N Bedekar	Manager (Admn)	7,20,000	01.02.1987	53	Western India Ent. Ltd.	B.A.
8	R.K. Pradhan	DGM(R&D)	8,76,000	08.11.1993	54	1stEmployment	B.Sc.
9	A.R Prabhu	Manager(A&F)	11,40,000	08.11.1993	59	Metro Vidyut	B.A.
10	Vilas B. Pawar	Manager (Account)	11,40,000	06.08.2009	56	Everest Developers	B. Com
11	Bharat M. Shelar	Manager (Accounts)	11,40,000	15.05.2008	41	Schandon Fashion Pvt Ltd.	B. Com

None of the Employee is relatives of Directors or Manager or KMP. All Employees are Permanent.

For and On Behalf of the Board of Directors  
Sadhana Nitro Chem Limited

ASIT D. JAVERI  
EXECUTIVE CHAIRMAN  
DIN: 00268114  
Address: Ratnagar Palace 37 Chowpatty Seaface  
Mumbai 400007  
Place: Mumbai  
Date: 08th August, 2019



## Annexure - X

## Disclosure in the Directors' Report as per SEBI Guidelines:

## a. Details pertaining to ESOS Scheme:

Sr. No	Particulars	Till the year ended March 31, 2019
1	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including:	
	a. Date of shareholders' approval	22nd May, 2017
	b. Total number of options approved under ESOS	Maximum option to be granted under scheme is 5,00,000 fully paid up Equity Shares of Rs. 10/- each
	c. Vesting requirements	Varying from 1 (One) Year To 5 (Five) Years from the date of grant of options.
	d. Exercise price or pricing formula	All options would be granted at such price as determined by the Nomination and Remuneration Committee.
	e. Maximum term of options granted	3 (Three) months of vesting as per the scheme
	f. Source of shares (primary, secondary or combination)	Primary
	g. Variation in terms of options	

## b. Details pertaining to options:

Sr. No	Particulars	Details
1.	Number of options outstanding at the beginning of the period	5,00,000
2.	Number of options granted during the year	2,00,000
3.	Number of options forfeited / lapsed during the year	Nil
4.	Number of options vested during the year	Nil
5.	Number of options exercised during the year	Nil
6.	Number of shares arising as a result of exercise of options	Nil
7.	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil
8.	Loan repaid by the Trust during the year from exercise price received	NA
9.	Number of options outstanding at the end of the year	3,00,000
10.	Number of options exercisable at the end of the year	Nil
11.	A description of the method and significant assumptions used during the year to estimate the fair value of options	As per ESOS Scheme.
	a. Expected life of options	5 Years
	b. Closing market price of share on date of option grant	682.86



## c. Details pertaining to Employees:

## I) Senior Managerial Personnel;

Sr. No	Name of Employee and Designation	Number of options granted	1 year from Grant of Option		2 year from Grant of Option		3 year from Grant of Option	
			Exercise Price	Option Quantity	Exercise Price	Option Quantity	Exercise Price	Option Quantity
1.	V Ramkrishna	25,000						
2.	V J Modi	25,000	1,000	5,000	1,500	10,000	2,000	10,000
3.	M MBhate	25,000	1,000	5,000	1,500	10,000	2,000	10,000
4.	S A Salian	25,000	1,000	5,000	1,500	10,000	2,000	10,000
5.	A Prabhu	25,000	1,000	5,000	1,500	10,000	2,000	10,000
6.	V B Pawar	25,000	1,000	5,000	1,500	10,000	2,000	10,000
7.	Bharat M Shelar	25,000	1,000	5,000	1,500	10,000	2,000	10,000
8.	JyotsnaParab	25,000	1,000	5,000	1,500	10,000	2,000	10,000

## II) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year:

Sr. No	Name of Employee	Designation	Number of options granted	Exercise Price
None				

## III) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

Sr. No	Name of Employee	Designation	Number of options granted	Exercise Price
None				



FIVE YEAR HIGHLIGHTS		(Rs. In Lakh)				
	2018-19	2017-18	2016-17	2015-16	2014-15	
<b>RESOURCES</b>						
Capital	931.51	931.51	920.08	1880.08	1880.08	
Reserve	9544.81	3673.55	159.18	(1156.73)	(672.31)	
Net Worth	10476.32	4605.06	1079.26	723.35	1207.77	
State Govt. Sales Tax Incentives	0	0	6.54	12.48	14.90	
Other Borrowings	716.42	1490.74	3551.68	3365.94	2708.54	
<b>TOTAL</b>	<b>11192.74</b>	<b>6095.80</b>	<b>4637.48</b>	<b>4101.77</b>	<b>3931.21</b>	
<b>UTILISATION OF RESOURCES</b>						
Fixed Assets	14432.11	12458.20	11871.66	10921.87	10908.81	
Less: Depreciation	7578.83	7462.98	7303.23	7111.02	6910.63	
Net Fixed Assets	6853.28	4995.22	4568.43	3810.85	3998.18	
Investments	527.95	7.78	7.71	7.71	8.80	
Net Current Assets	3811.51	1092.8	61.34	283.21	(75.77)	
<b>TOTAL</b>	<b>11192.74</b>	<b>6095.80</b>	<b>4637.48</b>	<b>4101.77</b>	<b>3931.21</b>	
<b>Revenue from operations:-</b>						
Sales of Products / Services	25976.52	10789.92	5745.49	3450.05	4779.86	
other operative revenue	739.63	302.51	155.04	57.60	25.17	
Other income	124.13	22.33	48.10	16.21	35.76	
<b>TOTAL REVENUE</b>	<b>26840.28</b>	<b>11114.76</b>	<b>5948.63</b>	<b>3523.86</b>	<b>4840.79</b>	
<b>EXPENDITURE:-</b>						
Cost of Materials consumed / Purchase of Stock in Trade	9269.41	4191.44	3352.02	1902.10	3232.90	
Changes in inventories of finished goods, work in progress and stock						
in trade	(2123.46)	(147.12)	(452.30)	(48.94)	151.70	
Employee Benefit cost	3027.76	974.87	776.3	568.13	544.17	
Financial cost	1187.00	510.29	625.89	507.17	462.66	
Depreciation	284.77	188.16	192.21	200.38	206.83	
Other expenses	4565.03	2569.34	1360.74	879.44	1231.06	
<b>TOTAL EXPENDITURE</b>	<b>16210.51</b>	<b>8286.98</b>	<b>5854.86</b>	<b>4008.28</b>	<b>5829.32</b>	
Profit / loss before Tax & Exceptional Items	10629.77	2827.78	93.77	(484.42)	(988.53)	
Add : Profit on Sale of Assets / Investment / Exceptional Items	0	0	0	0.00	1305.16	
Less : Tax Expenses	3098.75	(309.19)	0	0.00	(102.29)	
<b>Profit / (Loss) After Tax</b>	<b>7531.02</b>	<b>3136.97</b>	<b>93.77</b>	<b>(484.42)</b>	<b>418.92</b>	



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**INDEPENDENT AUDITOR'S REPORT**

To The Members Of  
Sadhana Nitro Chem Limited  
Report on the Audit of the Standalone Financial Statements

**Opinion**

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

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

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made 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 .

**Key Audit Matters**

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



Sr. No.	Key Audit Matter Auditor's	Response
1	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer Note 20 to the Standalone Financial Statements.</p>	<p>Our audit approach is combination of test of internal controls and substantive procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), the new standard on revenue recognition, include the following –</p> <ul style="list-style-type: none"> <li>• Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue recognition standard</li> <li>• Evaluated the detailed analysis performed by management across revenue streams by selecting samples for the existing contracts with customers and verified the appropriateness of identification of distinct performance obligations, determination of the transaction price, allocation of the transaction price to identified performance obligations and the appropriateness of the revenue recognition methodology.</li> <li>• Evaluated the appropriateness of the accounting policy and disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.</li> </ul>
2	<p>Evaluation of uncertain tax positions</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Note 31 to the Standalone Financial Statements.</p>	<p>Principal Audit Procedures</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal tax team to review the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal tax team also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. The internal tax team also additionally evaluated whether any change was required to management's position on these uncertainties in light of new amendments in tax laws.</p>



### Information Other than the Standalone 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 standalone financial statements and our auditor's report thereon.

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

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

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

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional





skepticism throughout the audit. We also:

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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



Report on Other Legal and Regulatory Requirements

1. As required by 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 Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 30 to the standalone Ind AS financial statements;
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Chandrashekar Iyer & Co

Chartered Accountants

Firm Registration Number : 114260W

Chandrashekhar Iyer

Partner

Membership Number : 47723

Mumbai, May 28, 2019.



## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sadhana Nitro Chem Limited of even date)

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

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

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

The 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.

### **Auditor's 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 internal financial controls system over financial reporting of the Company.

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the 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 Chandrashekar Iyer & Co  
Chartered Accountants  
Firm Registration Number : 114260W

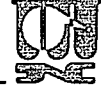
Chandrashekar Iyer  
Partner  
Membership Number : 47723

Mumbai , May 28, 2019

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sadhana Nitro Chem Limited of even date)

- i) a) The company has generally maintained proper records, showing full particulars including quantitative details and situation of property, plant and equipment.  
b) Property, plant and equipment have been physically verified by the Management during the year based on a phased programme of verifying all property, plant and equipment over three years, which in our opinion is reasonable having regard to the size of the company and the nature of its Assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.  
c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) The Management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii) The Company has granted loan to a Company covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").
  - a) In our opinion, the rate of interest and other terms and condition on which the loan had been granted to the company listed in the register maintained under Section 189 of the Act was not, prima facie, prejudicial to the interest of the Company.
  - b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been generally regular as per stipulations.
  - c) There are no overdue amounts in respect of the loan granted to a company covered in the register maintained under Section 189 of the Act.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made. The Company has not provided any guarantees / security.
- v) The Company has not accepted any deposits from the public.
- vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



vii) According to the information and explanations given to us, in respect of statutory dues:

- a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable except the following:

Name of Statute	Nature of Dues	Period to which the amount	Amount involved (₹)
Employees Provident Fund and Miscellaneous Provisions Act, 1952	Interest on delayed payment	FY March 2013 to June 2018	21,33,270/ -
Income Tax Act, 1961	Tax Deducted At Source	AY 2018 -19	2,07,939 / -
The Gujarat State Tax on Professions, Traders, Callings and Employments Act, 1976	Profession Tax	FY 2017-18	16,480/ -
Maharashtra Value Added Tax Act	Maharashtra Value Added Tax	FY 2012 -13	6,98,439/ -

c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty and cess which have not been deposited on account of any dispute except as given below:



Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs)	Amount Pending (Rs)
Income Tax Act	Income Tax	Commissioner of Income Tax – Appeals, Mumbai	A.Y : 2014 -15	55,180/-	55,180/-
Employees Provident Fund and Miscellaneous Provisions Act , 1952	Demurrage of Provident Fund dues	Employees Provident fund Appellate Tribunal	FY March 2013 to June 2018	58,76,715/-	58,76,715/-

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks or government . The Company did not have any borrowings during the year by way of debentures.
- ix) According to the information and explanations given to us , the Company has not raised any money by way of public issue or further public offer (including debt instruments) during the year. The term loans raised by the company have been applied for the purpose for which they were raised.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.



- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year .
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the 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.

For Chandrashekar Iyer & Co  
Chartered Accountants  
Firm Registration Number : 114260W

Chandrashekar Iyer  
Partner  
Membership Number : 47723

Mumbai, May 28, 2019.





Sadhana Nitro Chem Limited				
Balance Sheet as at March 31, 2019				
				Amount in ₹
Particulars		Note	As at March 31, 2019	As at March 31, 2018
<b>A</b>	<b>ASSETS</b>			
<b>I</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	3	6697,84,576	3914,12,946
	(b) Capital work-in-progress	3	155,43,597	1081,09,149
	(c) Financial Assets			
	(i) Investments	4A	7,72,549	7,78,072
	(ii) Loans	5A	8,31,619	856,73,593
	(d) Income Tax Asset (net)		-	286,46,404
	(e) Deferred Tax Asset (net)	7	-	309,19,391
	(f) Other non current assets	8A	283,98,503	469,96,625
	<b>Total Non-current assets</b>		<b>7153,30,844</b>	<b>6925,36,180</b>
<b>II</b>	<b>Current assets</b>			
	(a) Inventories	9	3861,30,636	2126,90,717
	(b) Financial Assets			
	(i) Current Investments	4B	520,22,442	-
	(ii) Trade receivables	10	3402,23,559	768,17,476
	(iii) Cash and cash equivalents	11	874,47,701	705,86,334
	(iv) Bank Balances other than (iii) above	12	28,01,925	81,13,425
	(v) Loans	5B	11,13,679	6,75,341
	(vi) Other financial assets	6A	566,93,236	-
	(c) Other current assets	8B	1448,89,165	1026,19,942
	<b>Total Current Assets</b>		<b>10713,22,343</b>	<b>4715,03,235</b>
	<b>TOTAL</b>		<b>17866,53,187</b>	<b>11640,39,415</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>I</b>	<b>Equity</b>			
	(a) Equity Share capital	13	931,51,490	931,51,490
	(b) Other Equity	14	9544,80,690	3673,55,114
	<b>Total Equity</b>		<b>10476,32,180</b>	<b>4605,06,604</b>
<b>II</b>	<b>Liabilities</b>			
	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	15A	283,04,127	654,30,727
	(b) Provisions	17A	236,55,488	256,23,511
	(c) Deferred Tax Liabilities	7	159,00,983	-
	(d) Other non-current liabilities	19A	-	-
	<b>Total Non current liabilities</b>		<b>678,60,598</b>	<b>910,54,238</b>
<b>III</b>	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	15B	433,37,931	836,42,575
	(ii) Trade payables	19	2759,76,933	1352,41,287
	(iii) Other financial liabilities	16	776,39,813	364,88,244
	(b) Provisions	17B	341,34,902	128,80,204
	(c) Income Tax Liabilities (net)		1445,49,247	-
	(d) Other current liabilities	18	955,21,583	3442,26,263
	<b>Total Current liabilities</b>		<b>6711,60,409</b>	<b>6124,78,573</b>
	<b>TOTAL</b>		<b>17866,53,187</b>	<b>11640,39,415</b>
The accompanying notes are an integral part of the Standalone financial statements. (Refer Notes 1- 37)				
As per our report of even date attached				
For Chandrashekar Iyer & Co Chartered Accountants Firm Registration Number :114260W		For and on behalf of the Board of Directors		
Chandrashekar Iyer Partner Membership Number :47723		Asit D Javeri Executive Chairman	Arvind R Doshi Director	
Mumbai , May 28, 2019		Abhishek A Javeri Managing Director & CFO	Priyam S Jhaveri Director	
		Smt. Seema A Javeri Executive Director Administration	Pradeep N Desai Director	
		Nitin R Jani Company Secretary	Amit M Mehta Director	



Sadhana Nitro Chem Limited				
Statement of Profit & Loss for the year ended March 31, 2019				
Amount in ₹				
	Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
(I)	<b>INCOME</b>			
(II)	Revenue from operations	20	26716,14,908	11077,64,084
(III)	Other Income	21	124,12,976	37,12,103
(IV)	<b>Total Income (II + III)</b>		<b>26840,27,884</b>	<b>11114,76,187</b>
(V)	<b>EXPENSES</b>			
(a)	Cost of raw materials & packing materials consumed	22A	9269,41,268	4191,44,514
(b)	Changes in inventories of finished goods and work-in-progress	22B	(2123,46,220)	(147,11,735)
(c)	Excise Duty	22C	-	37,66,507
(d)	Employee benefits expense	23	3027,75,779	974,86,992
(e)	Finance costs	24	1187,00,160	510,29,391
(f)	<u>Depreciation and amortization expense</u>			
	Depreciation expense	3	284,76,762	188,16,431
(g)	Other expenses	25	4565,03,325	2531,66,203
	<b>Total Expenses (a to g) (V)</b>		<b>16210,51,074</b>	<b>8286,98,303</b>
(VI)	Profit before exceptional items and tax (IV - V)		10629,76,810	2827,77,884
(VII)	Exceptional Items		-	-
(VIII)	<b>Profit Before Tax (VI - VII)</b>		<b>10629,76,810</b>	<b>2827,77,884</b>
(IX)	<b>Tax Expense</b>			
(a)	Current tax		2614,04,840	480,45,200
(b)	Mat credit entitlement		-	(480,45,200)
(c)	Deferred tax		484,70,045	(309,19,391)
	<b>Total Tax Expense (a to c) (IX)</b>		<b>3098,74,885</b>	<b>(309,19,391)</b>
(X)	<b>Profit for the year (VIII - IX)</b>		<b>7531,01,925</b>	<b>3136,97,275</b>
(XI)	<b>Other Comprehensive Income/(Expense) (net off tax)</b>			
	<u>(i) Items that will not be re-classified subsequently to profit or loss</u>			
	Re-measurement on defined benefit plans		(27,28,437)	(42,02,496)
	Change in Fair value of Current Investments through other comprehensive income		19,18,946	-
(XII)	<b>Total Other Comprehensive Income</b>		<b>(8,09,491)</b>	<b>(42,02,496)</b>
(XIII)	<b>Total Comprehensive Income (X + XII)</b>		<b>7522,92,434</b>	<b>3094,94,779</b>
(XIV)	<b>Earnings per equity share (Rs.)</b>			
	(1) Basic & Diluted [Face Value Rs 5 Per Share (PY Rs 10 Per Share)]	27	40.42	33.61

The accompanying notes are an integral part of the Standalone financial statements. (Refer Notes 1- 37)

As per our report of even date attached  
For Chandrashekar Iyer & Co  
Chartered Accountants  
Firm Registration Number :114260W

For and on behalf of the Board of Directors

Asit D Javeri  
Executive Chairman

Arvind R Doshi  
Director

Chandrashekar Iyer  
Partner  
Membership Number :47723

Abhishek A Javeri  
Managing Director & CFO

Priyam S Jhaveri  
Director

Smt. Seema A Javeri  
Executive Director  
Administration

Pradeep N Desai  
Director

Mumbai , May 28, 2019

Nitin R Jani  
Company Secretary

Amit M Mehta  
Director



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

Particulars	a) Equity Share Capital										b) Other Equity						Total Equity				
	Equity Share Capital Subscribed	General Reserve	Capital Redemption Reserve	Capital Reserve	Transition Reserve	Securities Premium	Employee Share Based Payment Reserve	Retained Earnings	Other Equity	Total Equity	Equity Share Capital Subscribed	General Reserve	Capital Redemption Reserve	Capital Reserve	Transition Reserve	Securities Premium		Employee Share Based Payment Reserve	Retained Earnings	Other Equity	Total Equity
Balance as at April 1, 2017	90,00,300	1333,29,906	5,00,000	93,681	884,49,427	54,36,740	-	(21,19,51,878)	159,17,876	1079,26,176	931,51,490	1333,29,906	5,00,000	93,681	884,49,427	93,76,727	1356,05,373	3673,55,114	4605,06,684	4605,06,684	
Profit for the year	-	-	-	-	-	-	-	3136,97,275	-	3136,97,275	-	-	-	-	-	-	-	7531,01,925	(8,09,491)	7531,01,925	7531,01,925
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	-	-	(42,02,496)	-	(42,02,496)	-	-	-	-	-	-	-	(8,09,491)	(8,09,491)	(8,09,491)	
Total Comprehensive Income	-	-	-	-	-	-	-	3094,94,779	-	3094,94,779	-	-	-	-	-	-	-	7522,92,434	7522,92,434	7522,92,434	
Dividend during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Additional during the year	11,43,190	-	-	-	-	-	-	-	-	38,79,987	-	-	-	-	-	-	38,79,987	38,79,987	38,79,987	38,79,987	
Balance as at March 31, 2018	931,51,490	1333,29,906	5,00,000	93,681	884,49,427	93,76,727	-	1356,05,373	3673,55,114	4605,06,684	931,51,490	1333,29,906	5,00,000	93,681	884,49,427	93,76,727	1356,05,373	3673,55,114	4605,06,684	4605,06,684	
Balance as at April 1, 2018	931,51,490	1333,29,906	5,00,000	93,681	884,49,427	93,76,727	-	1356,05,373	3673,55,114	4605,06,684	931,51,490	1333,29,906	5,00,000	93,681	884,49,427	93,76,727	1356,05,373	3673,55,114	4605,06,684	4605,06,684	
Profit for the year	-	-	-	-	-	-	-	7531,01,925	-	7531,01,925	-	-	-	-	-	-	-	(8,09,491)	(8,09,491)	(8,09,491)	
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	-	-	(8,09,491)	-	(8,09,491)	-	-	-	-	-	-	-	(8,09,491)	(8,09,491)	(8,09,491)	
Total Comprehensive Income	-	-	-	-	-	-	-	7522,92,434	-	7522,92,434	-	-	-	-	-	-	-	7522,92,434	7522,92,434	7522,92,434	
Dividend during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Additional during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as at March 31, 2019	931,51,490	1333,29,906	5,00,000	93,681	884,49,427	93,76,727	-	1356,05,373	3673,55,114	4605,06,684	931,51,490	1333,29,906	5,00,000	93,681	884,49,427	93,76,727	1356,05,373	3673,55,114	4605,06,684	4605,06,684	

The accompanying notes are an integral part of the Standalone financial statements. (Refer Notes 4- 37)

For and on behalf of the Board of Directors

For Chandrabhakar Iyer & Co  
Chartered Accountants  
Firm Registration Number: 114260W

Chandrabhakar Iyer  
Partner  
Membership Number: 47723

Mumbai, May 28, 2019

Ash D Javeri  
Executive Chairman

Abhishek A Javeri  
Managing Director & CFO

Smt. Seema A Javeri  
Executive Director  
Administration

Nitin R Jani  
Company Secretary

Arvind R Doshi  
Director

Piyam S Jhaveri  
Director

Pedroop N Desai  
Director

Anil M Mehta  
Director



Sadhana Nitro Chem Limited				
Statement of Cash Flows for the year ended March 31, 2019				
Particulars	Amount in ₹			
	For the year ended March 31, 2019		For the year ended March 31, 2018	
<b>A. Cash flow from operating activities</b>				
Profit before tax		10629,76,810		2827,77,884
Adjustments for:				
Depreciation and amortisation expenses	284,76,762		188,16,431	
Share based compensation expense	97,06,989		-	
Finance costs	1187,00,160		484,08,524	
Interest received	(32,88,708)		(12,93,479)	
Unrealised Foreign Exchange (Gain)/Loss	14,50,749		12,99,475	
Profit on Sale of Asset	(11,38,559)		-	
		1539,07,393		672,30,951
Operating profit / (loss) before working capital changes		12168,84,203		3500,08,835
Changes in working capital:				
Inventories	(1678,73,868)		(744,91,619)	
Trade receivables	(2612,33,322)		523,99,969	
Loans	(4,38,338)		130,66,802	
Other Current Assets	464,24,899		(741,70,318)	
Trade Payables	1407,35,646		(1199,17,472)	
Current Liability	(3765,47,424)		3069,28,208	
Provisions	165,58,238		60,59,842	
		(6023,74,169)		1098,75,413
Cash generated from operations		6145,10,034		4588,84,248
a. Direct Taxes (Paid)		(905,45,200)		(232,28,158)
Net cash flow from / (used in) operating activities (A)		5239,64,834		4366,56,090
<b>B. Cash flow from / (used in) investing activities</b>				
a. Purchase Of Property , plant and equipment	(2071,97,223)		(614,95,836)	
b. Sale of Property , plant and equipment	16,59,218		-	
c. Acquisition /Sale of Investment(Net)	(501,04,496)		(6,522)	
d. Loan given to wholly owned subsidiary	-		(834,79,092)	
e. Interest received	6,97,471		6,00,305	
		(2549,45,030)		(1443,81,145)
Net cash flow from / (used in) investing activities (B)		(2549,45,030)		(1443,81,145)
<b>C. Cash flow from / (used in) financing activities</b>				
a. Secured Borrowings -Net of Repayment	(1,13,851)		(807,18,586)	
b. Preference shares redeemed	(960,00,000)		-	
c. Issue of equity share capital (including premium)	-		50,23,177	
d. Interest Paid	(1187,60,140)		(600,11,677)	
e. Dividend paid including dividend distribution tax	(112,30,344)		-	
		(2261,04,335)		(1357,07,086)
Net cash flow from / (used in) financing activities (C)		(2261,04,335)		(1357,07,086)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		429,15,469		1565,67,860
Cash and cash equivalents at the beginning of the year		16,59,615		(1549,08,245)
Cash acquired on amalgamation		6,66,670		-
Cash and cash equivalents at the end of the year		452,41,755		16,59,615
<b>Cash and Cash equivalent as per above comprises of the following</b>				
Cash and cash equivalent as per Note 11				
- cash in hand		2,22,331		19,96,951
- Balances with Banks (on current accounts)		872,25,370		685,89,383
- Bank overdraft / cash credit (Note 150)		874,47,701		705,86,334
Balance as per statement of cash flows		452,41,754		16,59,615
Figures in brackets represent outflows				
The accompanying notes are an integral part of the Standalone financial statements. (Refer Notes 1- 37)				
Notes :				
1. The cash flow statement has been prepared under the Indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.				
2. Addition to property , plant and equipment include movements of capital work progress during the year.				
In terms of our report attached				
For Chandrashekar Iyer & Co Chartered Accountants Firm Registration Number :114260W		For and on behalf of the Board of Directors		
Chandrashekar Iyer Partner Membership Number :47723		Asit D Javeri Executive Chairman		Arvind R Doshi Director
Mumbai , May 28, 2019		Abhishek A Javeri Managing Director & CFO		Priyam S Jhaveri Director
		Smt. Seema A Javeri Executive Director Administration		Pradeep N Desai Director
		Nitin R Jani Company Secretary		Amit M Mehta Director



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**Audited Notes to Standalone financial statements for 31st March, 2019**

**1. CORPORATE INFORMATION** The Company was incorporated on July 21, 1973. The Company is engaged in Manufacturing of chemical intermediates, heavy organic chemicals and performance chemicals and wireless network equipment and services. As on 31st March, 2019 Manekchand Panachand Trading Investment Company Pvt Ltd, holding company owned 63.99% of the company's equity share capital. The Company's registered office is located at Mumbai, Maharashtra India and manufacturing facility is located at Roha, Raigad District, Maharashtra, India. The company shares are listed in Bombay Stock Exchange (BSE)

**2. SIGNIFICANT ACCOUNTING POLICIES:****2.01 Statement of Compliance**

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

These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual report date, March 31, 2019. These standalone financial statements were authorized for issuance by the Company's Board of Directors on May 28, 2019.

**2.02 Basis of preparation and presentation**

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price which that would be received or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**2.03 Use of estimate**

The preparation of these financial statements in conformity with these recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognized in the periods in which the results are known / materialize.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities with in the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax liabilities and provisions and contingent liabilities.

**Impairment of investments**

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.10.

**Provisions and contingent liabilities**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to unwinding of discount over passage of time is recognized as finance cost. Provisions are reviewed at the each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract.



A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from the past events where it is either not probable that an out flow of resources will be required to settle the obligation or a reliable estimate of the amount can not be made. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

#### **Fair value measurements and valuation processes**

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. The company has obtained independent fair valuation for financial instruments wherever necessary to determine the appropriate valuation techniques and inputs for fair value measurements. In some cases the fair value of financial instruments is done internally by the management of the Company using market-observable inputs.

In estimating the fair value of an asset or a liability, the company uses market - observable data to the extent it is available. Where Level 1 inputs are not available, the company engages third party qualified value stoper form the evaluation. The qualified external valuers establish the appropriate valuation techniques and inputs to the model. The external valuers report to the management of the Company their findings for every reporting period to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note no 29.

#### **2.04 Revenue Recognition**

##### **I. Sale of goods**

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery of goods based on contract with customers.

Revenue is measured on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives and returns, if any, as specified in the contracts with customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discount / incentive and returns are estimated (using the most likely method) based on accumulated experience and under lying schemes and arrangements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

The Company has adopted Ind AS115 Revenue from Contract with Customers, with effect from April1, 2018. Ind AS115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cashflows arising from the contracts with its customers and replaces Ind AS18 Revenue and Ind AS11 Construction Contracts.

The Company has adopted Ind AS115 using cumulative effect method where by the effect of applying this standard is recognised at the date of initial application (i.e., April1, 2018 ) Accordingly, the comparative information in the statement of profit and Loss is not restated. The effect of the adoption of Ind AS 115 was insignificant.

##### **Revenue (applicable upto March 31,2018)**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

##### **I. Sale of goods**

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sales and operation includes Excise Duty but excludes Sales Tax, Value Added Tax & GST

**ii. Sale of services**

Revenue from Operations is recognised on accrual basis based on underlying subscription plan or agreements with the concerned subscribers / parties.

Revenue from prepaid Internet Service plans, which are active at the end of accounting period, is recognised on time proportion basis. In other cases of Internet Service plans, entire revenue is recognised in the period of sale.

**iii. Other Income**

a. Dividend income from investments is recognised when the share holder's right to receive payment has been established which is when the share holders approve the dividend. ( provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

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

**2.05 Leases**

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

**Operating Lease**

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

**Finance Lease**

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

**2.06 Foreign Currency**

The functional currency of the Company is Indian rupee. Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

**2.07 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Interest income earned on the temporary investment of specific borrowing spending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Capitalization of borrowing cost is suspended and charges to the statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**2.08 Government grants**

(i) **Government grants in respect to manufacturing unites located in developing regions** :The Company is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlements on accrual basis on approval of the initial claim by the relevant authorities and there is reasonable assurance that the grants will be received.

(ii) **Government grants in respect of additional Capital Expenditures** : Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets is accounted for as deferred income. The grant is recognised a income over the life of a depreciable asset by accounting deferred income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.



(iii) Export Incentives: Export incentives under various schemes are accounted in the year of export.

#### 2.09 Employee benefits

(1) **Defined Contribution Plan:** Payments to defined contribution retirement benefit schemes viz. Company's Provident Fund Scheme and Superannuation Fund are recognised as an expense when the employees have rendered the service entitling them to the contribution.

(2) **Defined Benefit Plan:** For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- Remeasurement.

(i) **Gratuity:** The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 / 26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life Assurance Scheme with Life Insurance Corporation for future payment of gratuity to the eligible employees.

(ii) **Compensated Absences:** The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit and the accumulated leave expected to be carried forward beyond twelve months is treated as long-term employee benefit which are provided based on the number of days of unutilised compensated absence on the basis of an independent actuarial valuation.

2.10 **Taxation** Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of the tax currently payable and deferred tax.

**Current income tax** The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis

**Deferred income taxes** Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of good will or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.





Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

#### 2.11 Property, Plant and Equipment

Property, plant and equipment held for use in production or supply of goods or services or for administrative purposes are stated at cost less accumulated depreciation / amortization less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and interest on borrowing attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work- in - progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use.

Depreciation is recognized (other than on capital work - in - progress) on a straight line basis over the estimated useful lives of assets in respect of property plant & equipment & computers acquired after 1st April 2006. Property plant & equipment including non factory building furniture fixtures & vehicles acquired prior to 1st April 2006 are depreciated under WDV Method at the rates prescribed under Schedule II of Companies Act, 2013. Depreciation on assets acquired / purchased, sold / discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement.

The economic useful lives of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated use ful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part. Freehold land is not depreciated.

A 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 the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit or Loss.

#### 2.12 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization. Amortization is recognized on a straight line basis over their estimated useful lives of 3 years, which reflects the pattern in which the asset's economic benefits are consumed. The estimated useful life, the amortization method and the amortization period are reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

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

#### 2.13 Impairment

##### Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises life time expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction.

For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.



#### 2.14 Inventories

Inventories of raw materials, stock-in-trade, stores & spares, Fuel, packing material, work in progress, stock in trade and finished goods are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Stock of scrap and spent acid is valued at net realizable value. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Stores and spares are valued on weighted average cost basis and all others are valued on a FIFO basis.

#### 2.15 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

##### Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage

##### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

##### Investment in subsidiaries

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

##### Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

##### Financial guarantee contracts:

A Financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debt or fails to make payments when due in accordance with the terms of a debt instruments. Financial guarantee contracts issued by a holding company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of IND AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IND AS 18.

##### Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

##### Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, are classification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result



of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to performing activity that is significant to its operations. If the Company reclassifies financial assets, it applies there classification prospectively from there classification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

#### Off setting of financial instruments

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

#### 2.16 Earnings Per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares out standing during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares out standing during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

#### 2.17 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

#### 2.18 Current / Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

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

- 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 12 months after the reporting period, or
  - There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period
- Current liabilities include the current portion of long term financial liabilities.

The Company classifies all other liabilities 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 and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle

#### 2.19 Share Capital Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from other equity, net of any tax effects.

#### 2.20 Fair Value Measurement

Fair value is the price that would be received from the sale of an asset or paid to transfer all ability 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 an asset or transfer the liability takes place either:

- in the principle market for the asset or liability
- in the absence of principle market, in the most advantageous market for the asset or liability.

The principle or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 – Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities
  - Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
  - Level 3 – Valuation Techniques for which the lowest level input that is significant to the fair value measurement is unobservable
- For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### Determination of Fair Value

##### 1) Financial Assets - Debt Instruments at amortized cost

After initial measurement the 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 cost that are an integral part of the EIR.

##### 2) Financial Assets - Debt Instruments at Fair Value through Other Comprehensive Income (FVTOCI)

Measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L.

##### 3) Debt instruments, derivatives and equity instruments at Fair Value through Profit or Loss (FVTPL)

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

##### 4) Financial Liabilities

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

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Companies financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

#### Subsequent Measurement

##### Fair value through Profit & Loss

Financial liabilities at fair value through profit & loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. All changes in fair value of such liabilities are recognised in statement of profit or loss.

##### Loans and Borrowings

After initial recognition, interest - bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are de recognized as well as through the EIR amortization process. The EIR amortization is included as finance costs in the statement of profit and loss.

#### 2.21 Dividend

Dividend on share is recorded as liability on the date of approval by the shareholders.

#### 2.22 Investments

Long Term Investments are carried at cost. Provision for diminution is made to recognize the decline, other than temporary in the value of these investments. Current investments are carried at lower of the cost and fair value.

#### 2.23 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and in assessing performance.



'The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily, determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".'

#### 2.24 Recent accounting pronouncement Ind AS 116 Leases:

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, IndAS17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after 1 April 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods. On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the ' Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

#### Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatment which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition-i) Full retrospective approach Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1 April 2019. The Company will adopt the standard on 1 April 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1 April 2019 without adjusting comparatives.

The Company is currently evaluating the effect of this amendment on the financial statements.

#### Amendment to Ind AS 12 –

Income taxes: On 30 March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company is currently evaluating the effect of this amendment on the financial statements.



Notes forming part of the financial statements for the year ended March 31, 2019

Note 3: Property, Plant and Equipment

Particulars	Freehold Land	Factory Buildings	Non factory Buildings	Plant & Equipment (Refer Footnote (i))	Furniture & Fixtures	Computers	Vehicles (Refer Footnote (iii))	Total	Capital work-in-progress	
									(Refer Foot Note (ii))	(Refer Foot Note (ii))
Gross Carrying amount									3890,68,909	869,93,828
Balance as at April 1, 2017	1651,44,000	230,56,452	38,87,236	1947,92,427	4,29,379	3,66,632	13,93,083		403,95,333	211,15,321
Additions	-	32,08,062	-	105,06,499	-	-	12,818		14,818	-
Disposals	-	2,000	-	-	-	-	-		-	-
Balance as at March 31, 2018	1651,44,000	262,62,214	38,87,236	2052,98,926	4,29,379	6,81,371	277,46,298		4294,49,424	1081,09,149
Additions	-	316,37,428	10,67,134	2450,08,434	6,15,126	10,75,679	299,87,271		3053,91,071	609,41,181
Addition on Account of Merger (Refer Note No 35(iii))	-	-	-	34,26,364	6,49,479	19,80,160			60,56,003	56,28,295
Disposals	-	-	-	-	-	-	49,88,978		49,88,978	1591,35,028
Balance as at March 31, 2019	1651,44,000	578,99,642	49,54,370	4537,33,724	16,93,984	37,37,210	487,44,591		7359,07,520	155,43,597
Accumulated Depreciation										
Balance as at April 1, 2017	-	24,13,625	3,69,287	160,26,943	12,179	31,860	3,66,153		192,20,047	-
Additions (Depreciation for the Year)	-	20,44,786	3,34,205	158,36,249	8,860	44,489	5,47,842		188,16,431	-
Disposals	-	-	-	-	-	-	-		-	-
Reclassification as held for sale	-	-	-	-	-	-	-		-	-
Balance as at March 31, 2018	-	44,58,411	7,03,492	318,63,192	21,039	76,349	9,13,995		380,36,478	-
Additions (Depreciation for the Year)	-	22,35,981	3,02,566	210,80,270	87,648	2,81,425	44,88,873		284,76,762	-
Addition on Account of Merger	-	-	-	18,99,957	3,02,535	18,75,631			40,78,023	-
Disposals	-	-	-	-	-	-	44,68,319		44,68,319	-
Reclassification as held for sale	-	-	-	-	-	-	-		-	-
Balance as at March 31, 2019	-	66,94,392	10,06,058	548,43,319	4,11,222	22,33,405	9,34,549		661,22,944	-
Net carrying amount										
Balance as at March 31, 2018	1651,44,000	218,03,803	31,83,744	1734,35,734	4,08,340	6,05,022	268,32,303		3914,12,946	1081,09,149
Balance as at March 31, 2019	1651,44,000	512,05,250	39,48,312	3983,90,405	12,82,762	15,03,805	478,10,042		6697,84,576	155,43,597

Footnotes:

(i) Plant &amp; Equipment includes Office Equipments

(ii) Capital work in Progress of ₹ 1,55,43,597/- mainly consist of MAP IV plant &amp; ADAM plant being constructed in Rooha.

(iii) Refer Note 15(e)(b) &amp; (d) for information on Property plant &amp; equipment pledged as security by the company.



Notes forming part of the financial statements for the year ended March 31, 2019

## Note 4 A: Investments

(Amount in ₹)

Sr. No	Particular	Face Value	March 31, 2019		March 31, 2018	
			Holdings As At	Rs	Holdings As At	Rs
(i)	Non Current Investments					
	Investment in equity instruments (Fully paid up)					
	Subsidiaries(at cost)					
	Unquoted					
	Anuchem B.V.B.A- Belgium	Euro 25	750	7,71,549	750	7,71,549
	Strix Wireless Systems Private Ltd(Refer Note No 35(iii))	Rs 10	-	-	3,92,001	6,523
Spidigo Net Private Ltd (Refer Note iv below)	Rs 10	10,000	1,000			
	Less: Provision for decline other than temporary , in value of non current investments			-	-	
	<b>Total (A)</b>			<b>7,72,549</b>		<b>7,78,072</b>
(ii)	Other Investments (At cost)					
	Quoted					
	Anco Communication Ltd	Rs 10	500	71,788	500	71,788
	Enarai Finance Ltd	Rs 10	3,900	78,000	3,900	78,000
	Indian Extractions Ltd	Rs 10	18,000	5,08,194	18,000	5,08,194
	Indo-biotech ltd	Rs 10	5,000	1,91,250	5,000	1,91,250
	First object Technoliges Ltd	Rs 10	2,000	81,400	2,000	81,400
	Maxworth orchards Ltd	Rs 10	1,300	13,000	1,300	13,000
	Ojas Technochem Products Ltd	Rs 10	5,000	1,31,495	5,000	1,31,495
		Less: Provision for decline other than temporary , in value of non current investments		35,700	10,75,127	
	<b>Total (B)</b>			<b>10,75,127</b>		<b>10,75,127</b>
	<b>Total (A+B)</b>			<b>7,72,549</b>		<b>7,78,072</b>
Footnotes :						
	(i) Aggregate cost of quoted investments			10,75,127		10,75,127
	Aggregate market value of quoted investments			-		3,78,800
	(ii) Aggregate value of unquoted investments			7,72,549		7,78,072
	(iii) Aggregate amount of impairment in value of investments			10,75,127		10,75,127
	(iv) During the year the company acquired the entire shares of Spidigo Net Pvt Ltd. As a result Spidigo Net Pvt Ltd has become its wholly owned subsidiary with effect from March 11, 2019.					

## Note 4 B: Current Investments

(Amount in ₹)

Sr. No	Particular	Face Value	March 31, 2019		March 31, 2018	
			Holdings As At	Rs	Holdings As At	Rs
(i)	Investments measured at fair value through other comprehensive income					
	In Mutual Funds					
	Quoted					
	HDFC Liquid Fund 563.129 Units (PY. NIL)	Rs 10		1,03,496		-
	L & T Long Duration Growth 12,98,141 Units (PY. NIL)*	Rs 10		259,95,415		-
HDFC Long Duration Growth 6,62,552 Units (PY. NIL)*	Rs 10		259,23,531		-	
	<b>Total</b>			<b>520,22,442</b>		<b>-</b>

Footnotes:

- (i) \* Refer note no 15C(d) for information on Mutual Funds pledged as security.



Sadhana Nitro Chem Limited  
Notes forming part of the financial statements for the year ended March 31, 2019

## Note 5 - Loans

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
A	Non Current Loans (Unsecured Considered Good , unless otherwise stated)		
(i)	Loan to related party at amortised cost: -Subsidiary company (Refer Note 37 )	-	842,94,647
(ii)	Loan to staff	8,31,619	13,78,946
	<b>Total</b>	<b>8,31,619</b>	<b>856,73,593</b>
	Loans to related parties comprise loans to the following Wholly Owned subsidiaries		
(i)	Strix Wireless Systems Private Limited	-	842,94,647
	Maximum amount outstanding during the year	-	842,94,647
B	Current Loans (Unsecured Considered Good , unless otherwise stated)		
(i)	Loan to staff	9,98,230	5,97,470
(ii)	Others*	1,15,449	77,871
	<b>Total</b>	<b>11,13,679</b>	<b>6,75,341</b>
	* Others include		
	Salary Advance	79,460	77,871
	Other Advances Receivable in cash & Kind	35,989	-
	<b>Total</b>	<b>1,15,449</b>	<b>77,871</b>

## Note 6A - Other financial assets

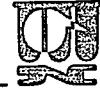
(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
A	Current Financial Assets		
(i)	Inter corporate Deposits(Refer Note (i)Below)	541,02,000	-
(ii)	Interest on Inter Corporate Deposits	25,54,711	-
(iii)	Interest Accrued on Bank Deposits	36,525	-
	<b>Total</b>	<b>566,93,236</b>	<b>-</b>

## Footnotes:

- (i) Includes secured Inter Corporate Deposits of Rs 4 Crores, however charge is yet to be created in favour of the Company.





Notes forming part of the financial statements for the year ended March 31, 2019

**Note No. 7 - Deferred tax Liabilities/(Asset) (Net)**

(Amount in ₹)

Sr. No	Particulars	March 31,2019	March 31,2018
	<b>Deferred Tax Liability</b>		
(i)	Depreciation on fixed assets	332,69,095	226,27,770
(ii)	Gross Deferred Tax Liability (1)	332,69,095	226,27,770
	<b>Deferred Tax Asset</b>		
(i)	Employee Benefit obligations	(168,28,561)	(104,67,974)
(ii)	Brought forward unabsorbed depreciation to be carried forward to next	-	(430,79,187)
	Other disallowable expenses	(5,39,551)	-
	Gross Deferred Tax Asset (2)	(173,68,112)	(535,47,161)
	<b>Net Deferred Tax Liability/(Asset) (1-2)</b>	<b>159,00,983</b>	<b>(309,19,391)</b>

For the year ended March 31,2019	Opening Balance	Recognised in profit or loss	Adjustment on account of merger	Closing Balance
Deffered Tax Liability				
Plant Property Equipment	226,27,770	106,41,325	-	332,69,095
Gross Deffered Tax Liability(1)	226,27,770	106,41,325	-	332,69,095
Deffered Tax Asset				
Defined benefit obligation	(104,67,974)	(63,60,587)	-	(168,28,561)
Other Disallowable Expenses	(21,03,966)	15,64,415	-	(5,39,551)
Brought forward unabsorbed depreciation to be carried forward to next years	(409,75,221)	426,24,892	(16,49,671)	-
Gross Deffered Tax Asset(2)	(535,47,161)	378,28,720	(16,49,671)	(173,68,112)
Net Deffered Tax Liability/(Asset) (1-2)	(309,19,391)	484,70,045	(16,49,671)	159,00,983

For the year ended March 31,2018	Opening Balance	Recognised in profit or loss	Adjustment on account of merger	Closing Balance
Deffered Tax Liability	-	226,27,770	-	226,27,770
Plant Property Equipment	-	226,27,770	-	226,27,770
Gross Deffered Tax Liability(1)	-	226,27,770	-	226,27,770
Deffered Tax Asset				
Defined benefit obligation	-	(104,67,974)	-	(104,67,974)
Other Disallowable Expenses	-	(21,03,966)	-	(21,03,966)
Brought forward unabsorbed depreciation to be carried forward to next years	-	(409,75,221)	-	(409,75,221)
Gross Deffered Tax Asset(2)	-	(535,47,161)	-	(535,47,161)
Net Deffered Tax Liability/(Asset) (1-2)	-	(309,19,391)	-	(309,19,391)



Notes forming part of the financial statements for the year ended March 31, 2019

## Note 8 - Other Assets

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
<b>A.</b>	<b>Non Current Assets</b>		
(i)	Capital advance	174,53,187	314,86,328
(ii)	Security Deposits with Public Bodies and others	99,21,343	65,56,439
(iii)	Balance with Statutory/Revenue Authorities	5,50,000	84,40,076
(iv)	Prepaid Expenses	4,73,973	5,13,782
	<b>Total</b>	<b>283,98,503</b>	<b>469,96,625</b>
<b>B</b>	<b>Current Assets</b>		
(i)	Balance with Statutory/Revenue Authorities	1383,71,997	814,44,483
(ii)	Advance to Vendor	38,63,092	193,20,916
(iii)	Prepaid Expenses	26,54,076	18,54,543
	<b>Total</b>	<b>1448,89,165</b>	<b>1026,19,942</b>

## Note - 9 : Inventories (At lower of cost and net realisable value)

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	Raw materials(Include Packing Materials ₹ 20,26,557/- ( March 31,2018 ₹ 19,30,457/- )	219,04,728	635,89,248
(ii)	Work-in-progress	959,49,494	711,82,993
(iii)	Finished Goods	2233,63,867	324,52,742
(iv)	Stock in Transit	35,93,749	14,05,998
(v)	Stores & Spares	396,70,210	418,53,144
(vi)	Others(Fuel etc.,)	16,48,588	22,06,592
	<b>Total</b>	<b>3861,30,636</b>	<b>2126,90,717</b>

Footnotes:

- (i) Refer Note no 15C(d) (i) for information on Inventories mortgaged as security for borrowings .

## Note 10 - Trade receivables

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	Unsecured Considered good	3402,23,559	768,17,476
(ii)	Considered doubtful	-	17,00,239
		3402,23,559	785,17,715
	Less : Allowance for doubtful debts	-	17,00,239
	<b>Total</b>	<b>3402,23,559</b>	<b>768,17,476</b>

Footnotes :

- Trade receivables are dues in respect of goods sold in the normal course of business.
- The normal credit period allowed by the company ranges from 60 to 90 days.
- Trade receivables include receivables from related parties ₹ 20,98,25,328/- and Maximum Amount Outstanding 21,11,77,534/- (March 31, 2018 - ₹ NIL and Maximum amount Outstanding ₹ 7,41,10,762/-)



## Notes forming part of the financial statements for the year ended March 31, 2019

## Note - 11 : Cash and Cash Equivalents

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	Cash in hand	2,22,331	19,96,951
(ii)	Balance with bank --- in current account	872,25,370	685,89,383
	<b>Total</b>	<b>874,47,701</b>	<b>705,86,334</b>

## Note - 12 : Other Bank Balances

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
	<u>Call and short term deposit accounts</u>		
(i)	Deposits with original Maturity <12 Months [Refer note (a) below]	15,01,925	81,13,425
(ii)	Deposits with original Maturity <12 Months other than (i) above	13,00,000	-
	<b>Total</b>	<b>28,01,925</b>	<b>81,13,425</b>

## Footnotes :

(a) Deposits with carrying amount of ₹ 15,01,925 (March 31, 2018 - ₹ 81,13,425 ) are subject to first charge against bank guarantees.

## Note 13 : Equity Share Capital

(Amount in ₹)

Particulars	March 31, 2019	March 31, 2018
<b>Authorised Capital:*</b>		
2,00,00,000 Equity Shares of ₹ 5/- each (March 31, 2018: 1,00,00,000 Equity Shares of ₹ 10/- each) (Refer note no (i & ii) below)	1000,00,000	1000,00,000
	1000,00,000	1000,00,000
<b>Issued Subscribed &amp; Paid up:</b>		
1,86,30,298 Equity Shares of ₹ 5/- each fully paid (March 31, 2018: 93,15,149 Equity Shares of ₹ 10/- each)	931,51,490	931,51,490
<b>Total</b>	<b>931,51,490</b>	<b>931,51,490</b>

## Footnotes:

(i): Authorised capital of 11000000 (2018 :11000000 ), 1% Non convertible Non Cumulative Redeemable Preference Share of Rs 10/- each is not considered above. Redeemable Preference shares issued have been considered as borrowings in accordance with the requirement of Ind AS. Refer Note 15(c)

(ii) - Sub - division of Equity shares : On 29th January 2019 , Pursuant to a approval of the members in the extra ordinary general meeting, the Company sub divided the equity shares of the face value of ₹ 10/- to share of the value of ₹ 5/- per share Unless otherwise noted, impacted amounts and share information included in the financial statements relating to authorised , issued and subscribed capital have been adjusted for the subdivision .

## (a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	March 31, 2019		March 31, 2018	
	Equity Share		Equity Share	
	No.of Shares	Amount	No.of Shares	Amount
Equity				
No of shares outstanding at the beginning of the year	93,15,149	931,51,490	92,00,830	920,08,300
Add: Additional shares issued during the year	-	-	1,14,319	11,43,190
Add : Increase on account of shares sub -divided during the year (Refer Note no (ii) above)	93,15,149	-	-	-
Less: Shares forfeited/Bought back during the year	-	-	-	-
No of shares outstanding at the end of the year	186,30,298	931,51,490	93,15,149	931,51,490

## (b) Terms/Rights attached to Equity shares:

The company has only one class of equity shares having at par value of 5/- (PY 10/-) per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the share holders in the ensuing annual general meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to number of shares held by share holder.



## Notes forming part of the financial statements for the year ended March 31, 2019

(c) Shareholders holding more than 5% shares in the Company :

Particulars	March 31, 2019		March 31, 2018	
	Equity Share		Equity Share	
Equity Shares of ₹5/- each (P.Y. ₹10/- ) fully paid	No of Shares *	% of Holding	No of Shares	% of Holding
Manekchand Panachand Trading Investment Co.Pvt.Ltd	119,21,222	63.99	59,60,611	64.78
Asit Javeri	9,56,180	5.13	-	-

\* adjusted for sub-division of shares.

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

None of the shareholders other than the holding company and Mr Asit Javeri hold more than 5% as on the reporting date

(d) Equity Shares in the entity held by holding company:

Particulars	March 31, 2019		March 31, 2018	
	No of Shares *	% of Holding	No of Shares	% of Holding
Manekchand Panachand Trading Investment Co.Pvt.Ltd	119,21,222	63.99	59,60,611	64.78

\* adjusted for sub-division of shares.

(v) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date - Nil (March 31, 2018 - Nil)

(e) Shares reserved for issue under Options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company - Refer Note 30



Notes forming part of the financial statements for the year ended March 31, 2019  
Note 14 : Other Equity

Sr.No	Particulars	(Amount in ₹)	
		March 31, 2019	March 31, 2018
	<b>Reserves and Surplus</b>		
(i)	Capital Reserve		
	Opening and Closing balance	93,681	93,681
(ii)	Capital Redemption Reserve		
	Opening balance	5,00,000	5,00,000
	Add: Additions (Refer note no 15C(i))	960,00,000	-
	Closing balance	965,00,000	5,00,000
(iii)	Securities Premium Account		
	Opening balance	93,76,727	54,96,740
	Add: Premium on issue of sweat equity shares	-	38,79,987
	Closing balance	93,76,727	93,76,727
(iv)	Retained Earnings		
	Opening balance	1356,05,373	(2119,51,878)
	Profit for the year	7531,01,925	3136,97,275
	Other Comprehensive income for the year, net of income tax	(8,09,491)	(42,02,496)
	Total comprehensive income	7522,92,434	3094,94,779
	Adjustment on account of amalgamation (Refer Note No 35 (iii))		
	a) Balance In Statement of Profit and Loss of Transferor Company	(1089,49,860)	-
	b) Surplus being the difference between share capital of transferor company and investment of the company	39,13,487	-
	Adjustment on account of preference share redemption (Refer note no 15C(i))	(586,07,130)	380,62,472
	Transfer to Capital Redemption Reserve (Refer note no 15C(i))	(960,00,000)	-
	Dividend including dividend distribution tax	(112,30,344)	-
	Closing balance	6170,23,960	1356,05,373
(v)	Transition Reserve		
	Opening balance	884,49,427	884,49,427
	Add: Additions	-	-
	Closing balance	884,49,427	884,49,427
(vi)	General Reserve		
	Opening balance	1333,29,906	1333,29,906
	Add: Additions	-	-
	Closing balance	1333,29,906	1333,29,906
(vii)	Employee Share Based Payment reserve(Refer Note No 30)		
	Opening balance	-	-
	Add: Additions	97,06,989	-
	Closing Balance	97,06,989	-
	<b>Total</b>	<b>9544,80,690</b>	<b>3673,55,114</b>

**Capital Reserve :**

Capital Reserve is utilised in accordance with the provisions of the Act.

**Capital Redemption Reserve**

Capital redemption reserve represents reserve created on redemption of preference shares. It is non distributable reserve

**Securities Premium Reserve**

Securities Premium Reserve is used to record the premium on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

**Retained Earnings**

The amount that can be distributed by the company as dividend to its equity shareholders

**Transition Reserve**

Transition Reserve represents reserve created on transition from Accounting Standards to Ind AS.

**General Reserve**

General reserve is used from time to time to transfer profits from retained earnings for appropriation purpose.

**Share based Payment Reserve**

The Company has established equity settled share based payment plans for certain categories of employees of the company. Refer note 30 for further details of these plans.



## Notes forming part of the financial statements for the year ended March 31, 2019

## Note - 15 : Borrowings

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
A	Long Term Borrowings		
(a)	Secured Borrowings:		
(i)	Term loan - Bank (Refer Note 15C( a ) below)	196,00,265	194,00,000
(ii)	Term Loan - Others (Refer Note 15C( b ) below)	161,18,068	108,23,254
	Less :Current Maturity of Long term borrowings disclosed under the head other financial liabilities (Refer Note 16(i))	357,18,333	302,23,254
	Balance	74,14,206	77,94,327
		283,04,127	224,28,927
(b)	Unsecured Borrowings		
(i)	Redeemable Preference Shares 9600000 1% Non convertible , Non cumulative (2018 - 9600000 9% Non convertible , Non Cumulative ) Redeemable Preference Shares of ₹ 10 /- each (₹10/- each)[Refer note 15C( c ) below]	430,01,800	430,01,800
	Less: Redeemed during the year	(430,01,800)	-
	Balance	-	430,01,800
	Total	283,04,127	654,30,727

B	Short Term Borrowings		
(a)	Secured Borrowings		
(i)	Working Capital Loan from Bank [Refer Note (d)(i) and (ii)]	422,05,947	689,26,719
(b)	Unsecured Borrowings		
(i)	Inter Corporate Deposit [Refer note ( e ) below]	11,31,984	147,15,856
	Total	433,37,931	836,42,575

## C Footnotes:

- a Term loan from a bank is secured by charge on motor vehicles. Refer Note (f) below for terms of repayment , interest etc.
- b Term loan - others is secured by charge on motor vehicles and plant and machinery. Charge is yet to be registered in respect of two motor vehicles . Refer Note (f) below for terms of repayment , interest etc.
- c Redeemable Preference Shares :During the year the company redeemed its 96,00,000 Non convertible , Non cumulative Preference shares of ₹ 10/- , at a premium of ₹ 8/- per share (early redemption). The amount paid on early redemption is allocated to the liability and equity component at the date of early redemption in the same method that was used to make the original allocation of the proceeds upon initial transition to Ind AS. The premium amounting to ₹ 7,68,00,000 /- is shown as finance cost. On redemption, the nominal value of shares redeemed amounting to ₹ 9,60,00,000 has been transferred to capital redemption reserve in accordance with the provisions of the Companies Act.
- d(i) The company has working capital facilities from a Bank at interest rate of libor plus 4.25% pa. These facilities are secured by exclusive charge on present and future stocks and book debts, exclusive charge on entire plant and machinery , charge by way of pledge on debt mutual funds of Rs 5 crores . Further secured by personal guarantee of Chairman and Managing Director and Corporate Guarantee of Holding Company.
- d(ii) # Working capital loan from a bank carrying interest rate ranging between 5.76% to 12.00 % p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116 and further secured by personal guarantee of Chairman and Managing Director of the company  
# These details relates to previous year
- e Inter Corporate Deposits are carrying interest rate of 12% and repayable on or before April 2019.



Notes forming part of the financial statements for the year ended March 31, 2019

Footnotes 15C Continued..

(f) Terms of repayment

(Amount in ₹)

Term Loan - Banks			March 31, 2019			March 31, 2018	
Particulars	Rate of Interest	Year of Maturity	No of Installments Left	Year of Maturity	Amount Outstanding as at March 31, 2019	No of Installments Left	Amount Outstanding as at March 31, 2018
Loan Account Number							
5620	8.50%	2023-24	50	2023-24	17,32,975	-	-
5165	8.50%	2023-24	50	2023-24	17,32,975	-	-
3937	8.25%	2022-23	48	2022-23	83,16,650	60	100,00,000
6860	8.25%	2022-23	48	2022-23	78,17,665	60	94,00,000
			<b>Total</b>		<b>195,00,265</b>	<b>Total</b>	<b>194,00,000</b>
			Less :Current maturity of long term borrowings shown in current liabilities		42,71,278		32,65,685
			<b>Balance</b>		<b>153,28,987</b>		<b>161,34,315</b>
Term Loan - Others							
Loan Account Number							
772834	16.91%	-	-	-	-	11	31,76,878
1720446	12.75%	2022-23	42	2022-23	22,83,725	54	28,02,108
1760357	12.75%	2022-23	43	2022-23	22,48,802	55	27,59,773
2037897	12.75%	2022-23	46	2022-23	17,23,059	58	20,84,495
16801135	9.15%	2023-24	59	2023-24	49,31,241	-	-
16801148	9.15%	2023-24	59	2023-24	49,31,241	-	-
			<b>Total</b>		<b>161,18,068</b>		<b>108,23,254</b>
			Less :Current maturity of long term borrowings shown in other current liabilities		31,42,928		45,28,642
			<b>Balance</b>		<b>129,75,140</b>		<b>62,94,612</b>
			<b>Total Balance as per 15A(a)</b>		<b>283,04,127</b>		<b>224,28,927</b>

(g) The companies exposure to liquidity interest rate and currency risks are disclosed in note no 26(ii)



## Notes forming part of the financial statements for the year ended March 31, 2019

## Note 16 - Other financial liabilities

(Amount in ₹)

Sr No	Particulars	March 31, 2019	March 31, 2018
	<b>Current Financial Liabilities</b>		
(i)	Current maturity of Long term borrowings (Refer note 15A(a) )	74,14,206	77,94,327
(ii)	Interest accrued but not due on borrowings	2,36,318	2,96,298
(iii)	Redeemed Preference Share & Excess right issue (Unclaimed)	27,393	27,393
(iv)	Creditors for Capital Expenditure	603,21,673	233,63,662
(v)	Security Deposit from Customer	11,74,650	-
(vi)	Other payables	84,65,573	50,06,564
	<b>Total</b>	<b>776,39,813</b>	<b>364,88,244</b>

## Note 17 - Provisions

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
A	<b>Non Current</b>		
	Employee Benefit Obligations		
	(i) Compensated absences	84,15,690	51,28,365
	(ii) Gratuity (Refer Note No.29)	152,39,798	204,95,146
	<b>Total</b>	<b>236,55,488</b>	<b>256,23,511</b>
B	<b>Current</b>		
	Employee Benefit Obligations		
	(i) Compensated absences	206,12,919	87,25,150
	(ii) Gratuity (Refer Note No. 29)	135,21,983	41,55,054
	<b>Total</b>	<b>341,34,902</b>	<b>128,80,204</b>
(i)	<b>Movement in provisions</b>		
			<b>Gratuity</b>
	Opening balance	246,50,200	181,21,165
	Add/Less :Provision recognised /(reversed) during the year	41,11,581	65,29,035
	Closing balance	287,61,781	246,50,200





Notes forming part of the financial statements for the year ended March 31, 2019

Note 18 - Other Liabilities

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
	<b>Current</b>		
(i)	Statutory Dues	502,48,902	107,59,363
(ii)	Employee Dues	247,21,512	90,93,272
(iii)	Income received in advance	167,85,573	-
(iv)	Advance From Customer	37,65,596	3243,73,628
	<b>Total</b>	<b>955,21,583</b>	<b>3442,26,263</b>

Note - 19 : Trade Payables

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	Micro and Small Enterprises	81,57,010	-
(ii)	Others	2678,19,923	1352,41,287
	<b>Total</b>	<b>2759,76,933</b>	<b>1352,41,287</b>

( a ) Disclosure required under Clause 22 of Micro , Small and Medium Enterprises Development ('MSMED') Act , 2006

Particulars	March 31, 2019	March 31, 2018
a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year:		
-Principal amount due to Micro and small enterprises:	81,57,010	-
-Interest due on above:	5,30,475	-
b) the amount of interest paid by the buyer under MSMED Act,2006 along with the amounts of the payment made to the supplier beyond the appointment day during each accounting year	-	-
c) the amount of interest due and payable for the period(where the principal has been paid but interest under the MSMED Act 2006-Not paid	5,30,475	-
d)The amount of interest accrued and remaining unpaid at the end of accounting year.	5,30,475	-
e)The amount of further interest due and payable even in the succeeding year,until such date when the interest dues as above are actually paid to the small enterprises,for the purpose of disallowances as a deductible expenditure under section 23.	3,67,065	-

( b ) All trade payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note no 26(ii)



## Notes forming part of the financial statements for the year ended March 31, 2019

## Note 20: Revenue from Operations

## Contract with customers

1 Details of revenue from contract with customers recognised by the company, net of indirect taxes in the statement of profit and loss.

Sr. No	Particulars	(Amount in ₹)	
		March 31, 2019	March 31, 2018
(i)	Sale of Products (a) Finished Goods	25702,49,535	10789,92,716
(ii)	Sale of Services	25702,49,535	10789,92,716
(iii)	Other Operating Revenue	274,02,203	-
	(a) Sale of scrap & sales other	15,84,837	3,81,681
	(b) Export Benefit	723,78,333	283,89,687
		739,63,170	287,71,368
	<b>Total</b>	<b>26716,14,908</b>	<b>11077,64,084</b>

Footnotes:

## 2 Disaggregate revenue information:

The table below presents disaggregated revenue by product type and type of revenue stream. The company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are effected by industry, market and other economic factors.

Sr No	Particulars	March 31, 2019	March 31, 2018
(a)	Sale of products		
	Product Type:		
	MAP	17824,22,194	10279,89,049
	SND 27 (ODB 2)	6315,32,158	86,76,744
	Others	1562,95,183	423,26,923
	Total	25702,49,535	10789,92,716
(b)	Sale of services	274,02,203	-
(c)	Other operating revenue		
	(i) Sale of scrap & sales other	15,84,837	3,81,681
	(ii) Export Benefit	723,78,333	283,89,687
		739,63,170	287,71,368

3 Sales includes excise duty upto 30th June 2017 and Hence figures are not comparable.



Notes forming part of the financial statements for the year ended March 31, 2019

## Note - 21 Other Income

		(Amount in ₹)	
Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	<u>Interest Income on:</u>		
	(a) Deposits with banks TDS ₹ 791 (P.Y ₹ 22109)	7,907	4,77,924
	(b) Others	32,80,801	8,15,555
(ii)	<u>Dividend Income from</u>		
	Subsidiaries	1,20,056	-
	Current Investments	1,03,496	-
(iii)	Profit on Sale of Fixed Assets	11,38,559	-
(iv)	Foreign Exchange Gain (Net)	43,833	5,33,027
(v)	Miscellaneous income	77,18,324	18,85,597
			-
	<b>Total</b>	<b>124,12,976</b>	<b>37,12,103</b>

## Note 22A - Cost of Raw materials and packing materials consumed

		(Amount in ₹)	
Sr. No	Particulars	March 31, 2019	March 31, 2018
	Inventory at the beginning of the year	635,89,248	131,23,210
	Inventory on account of Merger	22,34,646	-
	Add: Purchases	8830,22,102	4696,10,552
	Total	9488,45,996	4827,33,762
	Less: Inventory at the end of the year	219,04,728	635,89,248
	Cost of materials consumed	9269,41,268	4191,44,514

## Raw material and packing materials Consumed

Sr.No	Particulars	March 31, 2019	March 31, 2018
(i)	Benzene	1141,55,201	892,25,847
(ii)	Nitric acid	595,91,522	294,46,980
(iii)	Cast iron powder	1106,86,187	699,41,019
(iv)	Oleum 65%	530,88,532	318,11,171
(v)	Caustic Potash Flakes	-	22,59,049
(vi)	Packaging Material	42,29,337	31,98,851
(vii)	Other	5851,90,489	1932,61,597
	<b>Total</b>	<b>9269,41,268</b>	<b>4191,44,514</b>



Notes forming part of the financial statements for the year ended March 31, 2019

Note 22B - Changes in inventories of finished goods and work-in-progress

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	Opening Stock		
	Work in progress on account of Merger	33,31,405	-
	Work in progress	711,82,993	678,84,576
	Finished goods	324,52,742	210,64,424
	Scrap	3,25,000	3,00,000
	Total (i)	1072,92,140	892,49,000
(ii)	Closing Stock		
	Work in progress	959,49,494	711,82,993
	Finished goods	2233,63,867	324,52,742
	Scrap	3,25,000	3,25,000
	Total (ii)	3196,38,361	1039,60,735
	Changes in Inventories Decrease/(Increase)(i-ii)	(2123,46,220)	(147,11,735)
	Total	(2123,46,220)	(147,11,735)

Note 22C- Excise Duty

The Government of India has implemented Goods and Service Tax (GST) from July 1, 2017 replacing excise duty, service tax and various other indirect taxes. Excise duty for the year ended March 31, 2018 pertains to the period of 3 months (April to June 2017).

Note 23- Employee Benefit Expenses

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	Salaries and wages, including bonus	2673,63,291	836,18,433
(ii)	Employee Share Based compensation expense	97,06,989	-
(iii)	Contribution to Provident and other funds (Refer Note No. 29(a) )	74,56,207	34,76,318
(iv)	Gratuity (Refer Note No. 29(b) )	28,98,240	36,05,357
(v)	Leave Encashment expense	126,44,255	50,23,177
(vi)	Staff welfare expenses	27,06,797	17,63,707
	Total	3027,75,779	974,86,992

Note 24 - Finance Cost

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	Interest expense on term loans and other financial liabilities	26,64,419	211,05,405
(ii)	Interest cost on preference share	11,57,376	56,08,930
(iii)	Share premium on preference share redemption(Refer note 15C(c) )	768,00,000	-
(iv)	Foreign Exchange Fluctuation	222,78,489	26,20,867
(v)	Interest on delayed Payment of tax	114,26,023	24,00,000
(vi)	Other borrowing cost	43,73,853	192,94,189
	Total	1187,00,160	510,29,391



Notes forming part of the financial statements for the year ended March 31, 2019

## Note 25 - Other Expenses

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	Power and fuel	1578,30,099	1006,63,999
(ii)	Rent	46,49,006	7,90,423
(iii)	Rates & Taxes	223,68,193	98,86,372
(iv)	Insurance	40,37,316	15,04,013
(v)	Printing & Stationery	18,13,324	12,05,204
(vi)	Postage, Telegram & Telephone & Interent (Communication Expenses)	22,39,369	13,21,728
(vii)	Travelling & Conveyance Expenses	245,71,426	57,02,596
(viii)	Legal & Professional fees	140,99,938	71,83,381
(ix)	Directors Fees	4,25,000	1,41,000
(x)	Electricity charges	6,46,889	2,02,050
(xi)	Security Charges	26,45,246	21,14,734
(xii)	Stores & spares Consumed (Refer Note (ii)below)	635,37,183	265,31,107
(xiii)	<u>Repairs &amp; Maintenance</u>		
	Plant & Machinery	81,23,353	22,15,336
	Others	277,31,659	30,30,344
(xiv)	Other Manufacturing Expenses	157,41,834	99,81,809
(xv)	Effluent Expenses	115,96,495	36,91,962
(xvi)	Research & Development Expenses	93,700	2,56,100
(xvii)	Payment to auditors (Refer Note (i)below)	5,40,513	3,00,000
(xviii)	<u>Selling Expenses</u>		
	Freight and Forwarding Expenses	70,40,095	212,21,549
	Commission Charges	387,20,898	26,57,914
	Local Freight & other expenses	250,49,326	128,85,849
(xix)	Bad debts & Sundry Debit Balances written off	31,02,201	72,25,158
(xx)	Guarantee Commission	-	144,00,000
(xxi)	Amortisation of Lease hold land	-	804
(xxii)	Miscellaneous Expenses	199,00,262	180,52,771
	<b>Total</b>	<b>4565,03,325</b>	<b>2531,66,203</b>

Footnotes:

(i) Payment to Auditors

Sr.No	Particulars	March 31, 2019	March 31, 2018
	<u>As Auditor*</u>		
(i)	Statutory Audit Fee	5,00,000	3,00,000
(ii)	Reimbursement of Out of Pocket Expenses	40,513	-
		<b>5,40,513</b>	<b>3,00,000</b>



Notes forming part of the financial statements for the year ended March 31, 2019

Note - 26 Financial Instruments and Risk Review

Capital Management

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold the investor, creditor and customer confidence and to ensure future development of its business. The Company focused on keeping strong total equity base to ensure independence, security as well high financial flexibility for potential future borrowings, if required without impacting the risk profile of the company. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future periods. The amount of future dividends of equity shares will be balanced with efforts to continue to maintain an adequate liquidity status.

Particulars	(Amount in ₹)	
	March 31, 2019	March 31, 2018
Total equity attributable to equity shareholders of the company	10476,32,180	4605,06,604
As a percentage of total capital	94	76
Long term borrowings	283,04,127	654,30,727
Short term borrowings	433,37,931	836,42,575
Total borrowings	716,42,059	1490,73,302
As a percentage of total capital	6	24
Total Capital (Equity and Borrowings)	11192,74,239	6095,79,906

The company business plan coupled with global macro economic scenario have helped the company achieve enhanced profitability and liquidity resulting improved equity base and lower the risk profile of the company.

Financial Risk Management Framework

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

- a) Credit risk
- b) Liquidity risk
- c) Market risk
- i) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions and other financial instruments.

The customer credit is managed by the company's established policy, procedures and controls relating to customer credit management. The company has established a credit policy under which each new customer is analysed individually for credit worthiness before the company's standard payment and delivery terms and conditions are offered. The company's review includes external ratings where available and other publicly available financial information. Outstanding customers receivables are regularly monitored and any shipment to major customers are generally covered by letter of credit or other forms of credit insurance.

The following table gives details in respect of percentage of revenues generated from top five customer:

Particulars	(In %)	
	March 31, 2019	March 31, 2018
Revenue from top five customers	74.61	39.54

The company establishes an allowance for impairment that represents fixed estimate of expected losses in respect of trade and other receivable. The maximum exposure to credit risk as at reporting date is primarily from trade receivable amounting to ₹ 34,02,23,559/- (P.Y. ₹ 7,68,17,476/-). The movement in allowance for impairment in trade and other receivables during the year was as follows :

Allowance for impairment	March 31, 2019	March 31, 2018
Opening balance	17,00,239	-
Impairment loss recognised / reversed	(17,00,239)	17,00,239
Closing balance	-	17,00,239

Receivable from one customer of the Company's trade receivables of ₹ 20,98,25,328/- (P.Y.NIL) which is more than 10% of the Company's total trade receivables.

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit ratings agencies.



ii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the company maintains the following line of credit. The company has working capital facilities from a Bank at interest rate of libor plus 4.25% pa. These facilities are secured by exclusive charge on present and future stocks and book debts, exclusive charge on entire plant and machinery, charge by way of pledge on debt mutual funds of Rs 5 crores. Further secured by personal guarantee of Chairman and Managing Director and Corporate Guarantee of Holding Company. (PY: Working capital loan from a bank carrying interest rate of 12.95 % p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116 and further secured by personal guarantee of Chairman and Managing Director of the company)

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2019.

Particulars	Less than 1 year	1 to 2 years	2 to 5 years	5 to 7 years	Total
Long term borrowings	81,43,020	90,65,711	110,95,396	-	283,04,127
Short term borrowings	433,37,931	-	-	-	433,37,931
Trade payable	2759,76,933	-	-	-	2759,76,933
Other financial liabilities	776,39,813	-	-	-	776,39,813
<b>Total</b>	<b>4050,97,697</b>	<b>90,65,711</b>	<b>110,95,396</b>	<b>-</b>	<b>4252,58,804</b>

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2018

Particulars	Less than 1 year	1 to 2 years	2 to 5 years	5 to 7 years	Total
Long term borrowings	430,01,800	105,54,704	118,74,223	-	654,30,727
Short term borrowings	836,42,575	-	-	-	836,42,575
Trade payable	1352,41,287	-	-	-	1352,41,287
Other financial liabilities	364,88,244	-	-	-	364,88,244
<b>Total</b>	<b>2983,73,906</b>	<b>105,54,704</b>	<b>118,74,223</b>	<b>-</b>	<b>3208,02,833</b>

iii) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign Currency exchange rate risk

The Company operates internationally and major portion of the business is transacted in several currencies and consequently the company is exposed to foreign exchange risks through operating activities in foreign currency. The company does not engage in hedging and the unhedged foreign currency exposure is as follows :

1) Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise :

Particulars	Currency	Amount in foreign currency		Equivalent amount (₹)	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Financial Assets</b>					
Trade Receivables	EURO	-	-	-	-
	USD	44,76,757	8,09,181	3105,96,544	531,49,476
<b>Financial Liabilities</b>					
Trade Payables	EURO	-	-	-	-
	USD	3,93,297	1,56,326	274,38,049	101,68,068
Advance Received	EURO	-	-	-	-
	USD	54,425	-	37,65,595	-
<b>Net Asset / (Liability)</b>		<b>40,29,035</b>	<b>6,52,855</b>	<b>2793,92,900</b>	<b>429,81,408</b>



Notes forming part of the financial statements for the year ended March 31, 2019

Note 27 : Earnings Per Share

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
a)	Net Profit for the year attributable to the equity shareholders	7531,01,925	3136,97,275
b)	Opening number of equity shares outstanding	93,15,149	92,00,830
c)	Closing Number of Equity shares outstanding	186,30,298	93,15,149
d)	Basic/Diluted earning per share(₹ 5/- per share) (P. Y. ₹ 10/- per share)	40.42	33.61

Note 28: Disclosures under Ind AS 17

(Amount in ₹)

Note	Particulars	March 31, 2019	March 31, 2018
	Details of leasing arrangements		
	Operating Lease		
(i)	Leasehold land The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 1 to 5 years and may be renewed for a further period based on mutual agreement of the parties.	-	804
(ii)	Future Non-Cancellable minimum lease commitments		
	not later than one year	20,31,880	29,31,804
	later than one year and not later than five years	51,03,520	30,98,616
	later than five years	38,592	39,396
	Expenses recognised in the Statement of Profit and Loss	46,49,006	7,90,423





Notes forming part of the financial statements for the year ended March 31, 2019

**Note 29 : Employee benefits****(a) Defined Contribution Plan**

The Company makes Provident Fund contributions to defined contribution plan administered by the Regional Provident Fund Commissioner. Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. The Company has recognized ₹ 74,56,207/- towards Provident Fund and other fund contributions (March 31, 2018: ₹ 34,76,318/-) in the Statement of Profit and Loss. The provident fund and ESIC contributions payable by the Company are in accordance with rules framed by the Government from time to time.

**(b) Defined Benefit Plans: Gratuity**

The employee's gratuity fund scheme managed by a trust is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

The estimated rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary. The expected rate on plan assets is determined considering several applicable factor, mainly the composition of plan assets held assessed risk, historical result of return on plan assets and the company's policy for plan assets management.

**Defined benefit plans – as per actuarial valuation on 31st March, 2019**

Particulars	Funded Plan Gratuity	
	March 31, 2019	March 31, 2018
<b>Service Cost</b>		
Current Service Cost	9,80,454	7,25,025
Past service cost and (gains)/losses from settlements	-	15,62,923
Net interest expense	19,17,786	13,17,409
<b>Components of defined benefit costs recognized in profit or loss</b>	<b>28,98,240</b>	<b>36,05,357</b>
<b>Remeasurement on the net defined benefit liability</b>		
Return on plan assets (excluding amount included in net interest expense)	-	2,01,152
Actuarial gains and loss arising form changes in financial assumptions	(10,172)	(6,06,438)
Actuarial gains and loss arising form experience adjustments	38,59,546	46,07,782
Actuarial gains and loss arising from demographic adjustments	-	-
<b>Componenets of defined benefit costs recognised in other comprehensive income</b>	<b>38,49,374</b>	<b>42,02,496</b>
<b>Total</b>	<b>67,47,614</b>	<b>78,07,853</b>
<b>I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March</b>		
1. Present value of defined benefit obligation as at 31st March	(287,61,781)	(24,65,020)
2. Fair value of plan assets as at 31st March	-	-
3. Surplus/(Deficit)	(287,61,781)	(24,65,020)
4. Current portion of the above	-	-
5. Non current portion of the above	-	-
<b>II. Change in the obligation during the year ended 31st March</b>		
1. Present value of defined benefit obligation at the beginning of the year	246,50,200	208,88,046
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	9,80,454	7,25,025
- Past Service Cost	-	15,62,923
- Interest Expense (Income)	19,17,786	15,18,561
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions		
ii. Financial Assumptions	(10,172)	(6,06,438)
iii. Experience Adjustments	38,59,546	46,07,782
5. Benefit payments	(26,36,033)	(40,45,699)
6. Others (Specify)	-	-
7. Present value of defined benefit obligation at the end of the year	287,61,781	246,50,200



<b>III. Change in fair value of assets during the year ended 31st March</b>		
1. Fair value of plan assets at the beginning of the year	-	27,66,881
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account	-	-
- Expected return on plan assets	-	-
- Interest Income	-	2,01,152
4. Recognised in Other Comprehensive Income	-	-
Remeasurement gains / (losses)	-	-
- Actual Return on plan assets in excess of the expected return	-	(2,01,152)
- Others (specify)	-	-
5. Contributions by employer (including benefit payments recoverable)	-	-
6. Benefit payments	-	(27,66,881)
7. Fair value of plan assets at the end of the year	-	-
<b>IV. The Major categories of plan assets</b>		
- List the plan assets by category here		
Insurance Fund	-	-
<b>V. Actuarial assumptions</b>		
1. Discount rate	7.79%	7.78%
2. Expected rate of return on plan assets	7.79%	7.78%
3. Salary Increase Rate	4.00%	4.00%
4. Rate of Employee Turnover	2.00%	2.00%
5. Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
6. Mortality Rate After Employment	N.A.	N.A.
<b>VI. Other Details</b>		
1. No of Active Members	197	211
2. Per Month Salary For Active Members	53,82,647	41,55,054
3. Weighted Average Duration of the Projected Benefit Obligation	5	5
4. Average Expected Future Service	15	15
5. Projected Benefit Obligation (PBO)	287,61,781	246,50,200
6. Prescribed Contribution For Next Year (12 Months)	53,82,647	41,55,054
<b>VII. Net Interest Cost</b>		
1. Interest Cost	19,17,786	15,18,561
2. Interest Income	-	(2,01,152)
3. Net Interest Cost (1-2)	19,17,786	13,17,409



Maturity Analysis of Projected Benefit Obligation: From the Fund		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	91,74,778	67,85,704
2nd Following Year	16,92,594	23,80,201
3rd Following Year	20,93,052	18,25,501
4th Following Year	26,26,116	18,51,669
5th Following Year	11,38,551	23,91,589
Sum of Year 6 To 10	181,30,628	62,12,283

Maturity Analysis of Projected Benefit Obligation: From the Employer		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	135,21,983	-
2nd Following Year	18,45,090	-
3rd Following Year	31,06,067	-
4th Following Year	12,38,694	-
5th Following Year	8,09,455	-
Sum of Year 6 To 10	88,03,395	-

Sensitivity Analysis			
Projected Benefit Obligation on Current Assumptions	287,61,781	246,50,200	208,88,046
Delta Effect of +1% Change in Rate of Discounting	(9,56,019)	(10,72,464)	(8,22,737)
Delta Effect of -1% Change in Rate of Discounting	10,85,466	(12,32,053)	9,26,144
Delta Effect of +1% Change in Rate of Salary Increase	10,37,030	(12,67,130)	9,47,439
Delta Effect of -1% Change in Rate of Salary Increase	(9,31,706)	(11,18,837)	(8,54,858)
Delta Effect of +1% Change in Rate of Employee Turnover	3,91,102	(3,96,119)	2,08,452
Delta Effect of -1% Change in Rate of Employee Turnover	(4,38,793)	(4,45,931)	2,31,336

Sensitivity analysis for each significant actuarial assumption is required to be given, (illustration for medical inflation given below. Company needs to provide for others)

A. Effect of 0.50% change in the assumed discount rate	0.01% Increase	0.50% Decrease
	31-Mar-19	31-Mar-18
Defined Benefit Obligation		

B. Effect of 1 % change in the assumed Salary Escalation Rate	31-Mar-19	31-Mar-18
	Defined Benefit Obligation	

VIII. Experience Adjustments :	Year Ended	
	2019	2018
	Gratuity	
1. Defined Benefit Obligation	(287,61,781)	(246,88,046)
2. Fair value of plan assets	-	-
3. Surplus/(Deficit)	(287,61,781)	(246,88,046)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	(38,59,546)	46,07,782
5. Experience adjustment on plan assets [Gain/(Loss)]	(10,172)	(6,06,438)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



Additional Details	
Methodology Adopted for ALM -	Projected Unit Credit Method
Usefulness and Methodology adopted for Sensitivity Analysis -	Sensitivity analysis is an analysis which will give the movement in liability if the assumption were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of sensitive analysis.
Stress Testing of Assets -	Not Done
Investment Strategy -	Not Discussed
Comment on Quality of Assets -	Since Investment is with insurance company, Assets are considered to be secured.
Management Perspective of Future Contributions -	As per Actuarial Calculation

Notes
<p>*Gratuity is payable as per company's scheme as detailed in the report.</p> <p>*Actuarial gains/losses are recognised in the period of occurrence under Other Comprehensive Income (OCI).</p> <p>*All above reported figures of OCI are gross of taxation.</p> <p>*Salary escalation &amp; attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand &amp; supply of the employees.</p> <p>*Maturity Analysis of Projected Benefit Obligation is done considering future salary, attrition &amp; death in respective year for members as mentioned above.</p> <p>*Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.</p> <p>*Value of asset provided by the client is considered as fair value of plan asset for the period of reporting as same is not evaluated by us.</p>

#### Note 30 : Employee Stock Compensation

##### (a) Sadhana ESOP Plan:

On August 1, 2018, the Board of Directors approved the Employee Stock Option Plan (ESOP 2018) for the grant of stock options to the employees of the Company. The nomination and remuneration committee (remuneration committee) administers the ESOP. The option under this grant would vest to the employees as percentage of total grant at the end of the first, second and third year from the date of grant with exercise period ending one year from the end of last vesting.

##### Details of Grant

Particulars	Number of options	Weighted Average Exercise Price
Outstanding at the beginning of the year	-	-
Granted during the year	2,00,000	1,000
forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	2,00,000	1,000
Exercisable at the end of the year	-	-
Weighted average remaining contractual life (in years)	2.3	
Range of exercise prices for outstanding options at the end of the year	1000-2000	



## Note 31 - Contingent liabilities and commitments (to the extent not provided for)

Particulars	March 31, 2019	March 31, 2018
(i) Contingent liabilities :		
(a) Bank Guarantees/ Letter of Credit	-	-
(b) Contingent Liabilities for Income Tax, Service Tax and others:		
- Income Tax #	-	55,180
- Sales Tax #	6,98,439	6,98,439
- Service Tax #	-	-
- Employees Provident Fund and Miscellaneous Provisions Act 1952#	58,76,715	-
- Employees Claim #	15,42,361	15,42,361
(ii) Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	553,86,363	833,39,004
Other money for which the Company is contingently liable : The Company has imported Goods under the Export Promotion Capital Goods Scheme (EPCG), of the Government of India, at the concessional rates of duty with an obligation to fulfill the specified exports. Failure to meet this export obligation within the stipulated timeframe as per Foreign trade policy 2004-09 would result in payment of the aggregate differential duty saved as mentioned below along with interest there on. The company is confident of meeting the obligation.	0	0
Total export obligation due		
Saving in Custom Duty		
<b>Total</b>	<b>635,03,878</b>	<b>856,34,984</b>

#The Company is subject to legal proceedings and claims which have arisen in the ordinary course of business from Direct tax laws(TDS), Indirect tax laws and Other Laws. Future cash outflow, if any in respect of these matters are determinable only on receipt of judgements /decisions pending at various stages before the appellate authorities. The Management is of the opinion that the matters would be resolved in favour of the holding Company. The Holding Company Management does not reasonable expect that these legal action when ultimately concluded and determined would have a material and adverse effect on the holding Company's result of operations or financial condition.

## Note 32

## A.Value of imports calculated on CIF basis

Particulars	March 31, 2019	March 31, 2018
Raw Material and Components	1708,09,611	155,88,267
Capital goods	68,86,608	-
	<b>1776,96,219</b>	<b>155,88,267</b>

## B.Expenditure in foreign currency

Particulars	March 31, 2019	March 31, 2018
Other matters - Foreign travel, Corporate allocations etc.	18,25,077	8,36,013
Services Availed	344,07,847	-
	<b>362,32,924</b>	<b>8,36,013</b>

## Note 33 Transfer Pricing

The Company has 'international transactions with associated enterprises' which are subject to Transfer Pricing regulations in India. These regulations, inter alia, require the maintenance of prescribed documents and information for the basis of establishing arm's length price including furnishing a report from an Accountant within the due date of filing the return of income.

For the fiscal year ended March 31, 2019, the Company has taken necessary steps including conducting a study as required by the regulations and the Accountant's report in this regard is awaited. In the opinion of the management, the transactions are carried out at arm's length and no adjustments is expected to arise thereon.



Notes forming part of the financial statements for the year ended March 31, 2019

**Note 34 Segment reporting**

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of Manufacturing of Chemical intermediates, heavy organic chemicals and performance chemicals and manufacture of wireless network equipments and services. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of both the reportable segments. The reported revenues, profit and assets of one of the segments (manufacture of wireless network equipments and services) being less than 10% of the combined revenue, profit and assets of all the reporting segments, no separate segment disclosure is given as per para 11 and 13 of Ind AS 108.

**Note 35 Events after reporting Period**

(i) On April 22, 2019, the Board of Directors has proposed an interim dividend of ₹ 1.25 per equity share having face value of ₹ 5/- each.

(ii) On May 28, 2019, the Board of Directors have proposed a final dividend of ₹ 0.75 per equity share having face value of ₹ 5/- each. The proposed dividend is subject to approval of the shareholders in the annual general meeting.

(iii) Pursuant to the Scheme of Amalgamation (the Scheme) sanctioned by the National Company Law Tribunal Mumbai Bench vide its order dated May 09, 2019, Strix wireless systems Pvt Ltd (SWSPL) have been merged with the Company with effect from April 01, 2018 (the Appointed Date). The merger is accounted under absorption method in terms of the scheme sanctioned by the Company law tribunal Mumbai Bench and all assets, liabilities and reserves have been recorded in the books of accounts of the Company at the respective carrying amounts and in the same form. The difference between the share capital of the transferor company and the gross value recorded as investments is adjusted and the difference is adjusted in reserves in accordance with the scheme.

Accordingly, the assets and liabilities of Strix wireless systems Pvt Ltd are accounted at the following summarized value

Particulars	Amount
Property , Plant and Equipment (including capital work in progress)	76,06,275
Intangible assets	-
Taxes	17,19,671
Inventories	55,66,052
Trade receivables	36,23,511
Cash and Bank Balances	6,66,670
Financial assets - Investments , Loans & others (Non Current & Current)	3,16,38,514
Non Current and Current Liabilities	(15,58,50,543)
Other Equity	10,89,49,860
Share Capital	39,20,010
Gross Value recorded as investments	(6,523)
To Be Adjusted Against Reserves	39,13,487



Notes forming part of the financial statements for the year ended March 31, 2019

**Note 36 : Significant estimates and assumptions**

**Estimates and Assumptions**

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

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

**Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amounts sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**Defined Benefit Plans (Gratuity Benefits)**

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Details about gratuity obligations are given in Note 29.

**Fair value measurement of financial instruments**

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

The Company has valued its financial instruments through profit & loss which involves significant judgements and estimates such as cash flows for the period for which the instrument is valid, EBITDA of investee company, fair value of share price of the investee company on meeting certain requirements as per the agreement, etc. The determination of the fair value is based on expected discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.



## Notes forming part of the financial statements for the year ended March 31, 2019

## Note 37 - Related party transactions

## i) List of related parties

i) Holding Company M/S Manekchand Panachand Trading Investment Co pvt ltd

ii) Subsidiary

a - M/S Anuchem B.V.B.A Belgium

b - M/S Spidigo Net Pvt. Ltd.

## ii) Key Management Personal

i) Shri.Asit D.Javeri

Executive Chairman  
wife of Shri A.D Javeri  
son of Shri A.D Javeri

Smt.Seema A Javeri

Mr.Abhishek A Javeri

ii) Abhishek A Javeri

Managing Director &amp; Chief Financial Officer

iii) Shri Nitin R Jani

Company Secretary

iii) Disclosure in respect of material related party transaction during the year.

1) Sale of Goods to Anuchem BVBA, Belgium ₹ 70,50,15,098 (P.Y ₹ 10,55,09,151/- )

## c) Related party transactions during the year

Sr No	Nature of Transaction	Holding Company	Subsidiaries	Key Management Person
		₹	₹	₹
a)	Sale of Goods		7050,15,098	-
			(1055,09,151)	-
b)	Managerial Remuneration		-	1181,08,535
			-	(210,96,047)
c)	Dividend Received		1,20,056	-
			-	-
d)	Loan Given		(842,94,647)	-
			-	-
e)	Interest on Loan		-	-
			-	-
f)	Guarantee Commission		-	(144,00,000)
			-	-
g)	Outstanding Balance as on 31st March 2019		2098,25,328	351,80,863
			-	-

For Chandrashekar Iyer & Co Chartered Accountants Firm Registration Number :114260W	For and on behalf of the Board of Directors	
	Asit D Javeri Executive Chairman	Arvind R Doshi Director
Chandrashekhar Iyer Partner Membership Number :47723	Abhishek A Javeri Managing Director & CFO	Priyam S Jhaveri Director
	Smt. Seema A Javeri Executive Director Administration	Pradeep N Desai Director
Mumbai , May 28, 2019	Nitin R Jani Company Secretary	Amit M Mehta Director





**Independent Auditors' Report**  
**To the Members of Sadhana Nitro Chem Limited**  
**Report on the Audit of Consolidated Financial Statements**

**Opinion**

We have audited the consolidated financial statements of Sadhana Nitro Chem Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained by us and the audit evidence obtained by other auditors in thereon in terms of their report referred to in other matters section below is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Sr. No.	Key Audit Matter Auditor's	Response
1	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p> <p>The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer Note 20 to the Consolidated Financial Statements</p>	<p>Our audit approach is combination of test of internal controls and substantive procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), the new standard on revenue recognition, include the following –</p> <ul style="list-style-type: none"> <li>• Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue recognition standard</li> <li>• Evaluated the detailed analysis performed by management across revenue streams by selecting samples for the existing contracts with customers and verified the appropriateness of identification of distinct performance obligations, determination of the transaction price, allocation of the transaction price to identified performance obligations and the appropriateness of the revenue recognition methodology</li> <li>• Evaluated the appropriateness of the accounting policy and disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.</li> </ul>
2	<p>Evaluation of uncertain tax positions</p> <p>The Holding Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Note 31 to the Consolidated Financial Statements</p>	<p>Principal Audit Procedures</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal tax team to review the management's underlying assumptions in estimating the tax provision and the possible outcome of these disputes. Our internal tax team also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. The internal tax team also additionally evaluated whether any change was required to management's position on these uncertainties in light of new amendments in tax laws.</p>

**Information Other than the Consolidated Financial Statements and Auditors' Report Thereon**

The Holding Company's management and Board of Directors are responsible for 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 Shareholders information, but does not include the Consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit reports of other auditors, 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.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company 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 respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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



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

- ① Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ② Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(f) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and such companies incorporated in India which are its subsidiary companies have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ③ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ④ Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Company and its subsidiaries) to cease to continue as a going concern.
- ⑤ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ⑥ Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

- (a) We did not audit the financial statements of one wholly owned subsidiary included in the consolidated financial results of the Group. This subsidiary account for total assets of Rs 5,17,70,926/- as at March 31, 2019 , total revenue of Rs 52,45,50,874/- and a net profit amounting to Rs 60,96,214/- for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit reports of other auditors.

This subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- (b) The consolidated financial statements also include the unaudited financial information of one wholly owned subsidiary whose financial information reflect total assets of Rs 7,75,84,156/- as at March 31, 2019, total revenues of Rs 81,131/- for the year ended March 31, 2019 and total net loss of Rs 4,22,487/- for the year ended March 31, 2019, as considered in the consolidated financial statements, whose financial statements have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this wholly owned subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid wholly owned subsidiary, is based solely on such unaudited financial statements. In our opinion and



according to the information and explanations given to us by the Holding Company's Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Holding Company's Management.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 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 with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :

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

- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us



and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2019 on the consolidated financial position of the Group. Refer Note 31 to the consolidated financial statements.
- ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended March 31, 2019.

For Chandrashekar Iyer & Co.  
Chartered Accountants  
Firm Registration Number : 114260W

(Chandrashekar Iyer)  
Partner  
Membership Number : 47723  
Mumbai, May 28, 2019

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sadhana Nitro Chem Limited "the group" of even date)

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

We have audited the internal financial controls over financial reporting of Sadhana Nitro Chem Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The respective Board of Directors of the holding company and its subsidiaries is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the holding company and its subsidiaries 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding





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

#### **Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

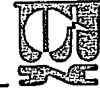
In our opinion, to the best of our information and according to the explanations given to us, holding company and its subsidiaries has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Chandrashekar Iyer & Co  
Chartered Accountants  
Firm Registration Number : 114260W

Chandrashekar Iyer  
Partner  
Membership Number : 47723  
Mumbai , May 28, 2019



Consolidated Balance Sheet as at March 31, 2019			
			(Amount in ₹)
PARTICULARS	Note No.	As at March 31, 2019	As at March 31, 2018
<b>A ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, Plant and Equipment	3A	6987,80,216	3933,90,926
(b) Intangible Assets	3B	636,23,270	1042,03,979
(c) Capital work-in-progress	3A	155,43,597	1137,37,444
(d) Financial Assets			
(i) Investments	4A	-	-
(ii) Loans	5A	11,05,539	856,73,593
(e) Income Tax Asset (net)		-	286,46,404
(f) Deferred Tax Asset (net)	7	-	325,69,062
(g) Other non current assets	8A	284,73,503	469,96,625
<b>Total Non-Current assets</b>		<b>8075,26,125</b>	<b>8052,18,033</b>
<b>II Current assets</b>			
(a) Inventories	9	4106,82,414	2183,46,915
(b) Financial Assets			
(i) Current Investments	4B	520,22,442	-
(ii) Trade receivables	10	1558,99,105	1528,66,705
(iii) Cash and cash equivalents	11	902,25,316	714,59,013
(iv) Bank Balances other than (ii) above	12	28,01,925	81,13,425
(v) Loans	5B	11,13,679	6,75,341
(vi) Other financial assets	6	1033,35,556	4,11,500
(c) Other current assets	8B	1449,86,605	1356,86,312
<b>Total current assets</b>		<b>9610,67,042</b>	<b>5875,59,211</b>
<b>TOTAL</b>		<b>17685,93,167</b>	<b>13927,77,244</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
(a) Equity Share capital	13	931,51,490	931,51,490
(b) Other Equity	14	9588,66,294	3653,96,630
		<b>10520,17,784</b>	<b>4585,48,120</b>
<b>Liabilities</b>			
<b>II Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15A	304,29,127	654,30,727
(ii) Other financial liabilities	16	-	-
(b) Provisions	17A	280,95,058	256,23,511
(c) Deferred Tax Liabilities(Net)	7	159,00,985	-
(d) Other non-current liabilities	18A	-	-
<b>Total Non current liabilities</b>		<b>744,25,170</b>	<b>910,54,238</b>
<b>III Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15B	433,37,931	836,42,575
(ii) Trade payables	19	1210,98,086	2324,43,877
(iii) Other financial liabilities	16	788,64,495	366,39,410
(b) Provisions	17B	341,34,902	128,80,204
(c) Other current liabilities	18	2200,90,553	4775,68,820
(d) Income Tax Liabilities (net)		1446,24,246	-
<b>Total current liabilities</b>		<b>6421,50,213</b>	<b>8431,74,886</b>
<b>TOTAL</b>		<b>17685,93,167</b>	<b>13927,77,244</b>
The accompanying notes are an integral part of the consolidated financial statements. (Refer Notes 1- 39)			
As per our report of even date attached			
For Chandrashekar Iyer & Co Chartered Accountants Firm Registration No :114260W		For and on behalf of the Board of Directors	
Chandrashekar Iyer Partner Membership No :47723 Mumbai, May 28,2019		Asit D Javeri Executive Chairman	Arvind R Doshi Director
		Abhlshek A Javeri Managing Director & CFO	Priyam S Jhaveri Director
		Smt. Seema A Javeri Executive Director Administration	Pradeep N Desai Director
		Nitin R Jani Company Secretary	Amit M Mehta Director



Statement of Consolidated Profit and Loss for the year ended March 31, 2019				(Amount in ₹)	
	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	
(I)	INCOME				
(II)	Revenue from operations	20	26702,67,323	11434,79,772	
(III)	Other Income	21	124,72,131	28,86,563	
(IV)	Total Income (II + III)		26827,39,454	11463,66,335	
(V)	EXPENSES				
	(a) Cost of materials consumed	22A	9269,41,268	4191,44,514	
	(b) Changes in inventories of finished goods, stock-in-trade and work-in-progress	22B	(2365,98,265)	149,91,965	
	(c) Excise Duty	22C	-	37,66,507	
	(d) Employee benefits expense	23	3027,75,779	974,90,240	
	(e) Finance costs	24	1199,17,568	520,64,934	
	(f) Depreciation and amortization expense		288,82,058	192,04,458	
	(g) Depreciation Expense (Refer Note No 3)		4721,68,309	2597,21,713	
	(h) Other expenses	25			
	Total Expenses (V)		16140,86,717	8663,84,331	
(VI)	Profit/(loss) before exceptional items and tax (IV - V)		10686,52,737	2799,82,004	
(VII)	Exceptional Items		-	-	
(VIII)	Profit/(loss) before tax (VI - VII)		10686,52,737	2799,82,004	
(IX)	Tax Expense				
	Current tax		2614,07,039	480,45,206	
	Less: MAT Credit entitlement		-	(480,45,200)	
	Deferred tax Assets		489,27,874	(309,19,391)	
	Total tax expense		3103,34,913	(309,19,385)	
(X)	Profit/(loss) for the period (VIII - IX)		7583,17,824	3109,01,389	
(XI)	Other Comprehensive Income				
	(i) Items that will not be re-classified subsequently to profit or loss				
	Re-measurement on defined benefit plans		(27,28,437)	(42,02,496)	
	Change in Fair value of Current Investments through other comprehensive income		19,18,946	-	
	(ii) Items that will be re-classified subsequently to profit or loss				
(XII)	Total of Other Comprehensive Income ((i) + (ii))		(8,09,491)	(42,02,496)	
(XIII)	Total Comprehensive Income (X + XII)		7575,08,333	3066,98,893	
(XIV)	Earnings per equity share (₹)				
	Basic & Diluted	27	40.70	33.30	

The accompanying notes are an integral part of the consolidated financial statements. (Refer Notes 1- 39)  
As per our report of even date attached

	For and on behalf of the Board of Directors	
	Asit D Javeri Executive Chairman	Arvind R Doshi Director
For Chandrashekar Iyer & Co Chartered Accountants Firm Registration No :114260W	Abhishek A Javeri Managing Director & CFO	Priyam S Jhaveri Director
Chandrashekar Iyer Partner Membership No :47723	Smt. Seema A Javeri Executive Director Administration	Pradeep N Desai Director
Mumbai, May 28,2019	Nitin R Jani Company Secretary	Amit M Mehta Director



Consolidated Cash Flow Statement for the year ended March 31, 2019		(Amount in ₹)	
Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018
<b>A. Cash flow from operating activities</b>		10686,52,737	2757,79,508
Profit before tax			
Adjustments for:			
Depreciation and amortisation expenses	288,82,058		192,04,458
Share based compensation expenses	97,06,989		-
Profit on Sale of assets	(11,38,559)		-
Finance costs	1199,17,568		520,64,934
		1573,68,056	712,69,392
Operating profit / (loss) before working capital changes		12260,20,793	3470,48,900
Changes in working capital:			
Inventories	(1923,35,499)		(460,99,412)
Loans and advances	427,53,669		(1452,81,528)
Trade Payables / current liability / Provisions	(4582,35,909)		2630,05,347
Trade receivables	(27,03,568)		(455,18,357)
		(6105,21,307)	261,06,050
Cash generated from operations		6154,99,486	3731,54,950
a.Direct Taxes (Paid)		(881,36,387)	(232,28,158)
Net cash flow from / (used in) operating activities (A)		5273,63,099	3499,26,792
<b>B. Cash flow from / (used in) investing activities</b>			
a.Capital expenditure on Fixed Assets	(2071,97,225)		(615,10,654)
(Net of Adjustment for capital Work-in-progress)			
b.Acquisition /Sale of Fixed asset (Net)	16,59,218		14,818
c.Acquisition /Sale of Investment(Net)	(501,03,496)		
d.Cash arising on acquisition of subsidiary	10,88,221		7,05,613
e. Investment in subsidiary	(1,000)		(6,523)
Net cash flow from / (used in) Investing activities (B)		(2545,54,282)	(607,96,746)
<b>C. Cash flow from / (used in) financing activities</b>			
a.Secured Borrowings -Net of Repayment	54,95,079		298,08,278
b.Unsecured Borrowings -Net of Repayment	(1016,08,930)		(1031,47,511)
c.Finance cost paid	(1199,77,547)		(636,68,088)
d.Dividend paid including dividend distribution tax	(112,30,344)		-
e.Issue of fresh equity (including premium)	-		50,23,177
Net cash flow from / (used in) financing activities (C)		(2273,21,742)	(1319,84,144)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		454,87,075	1571,45,902
Cash and cash equivalents at the beginning of the year		25,32,294	(1546,13,608)
Cash and cash equivalents at the end of the year		480,19,369	25,32,294
<b>Cash and cash equivalent as per above comprises of the following</b>			
Cash and cash equivalent as per note 11			
Cash in hand		2,22,730	19,99,183
Balance with banks (on current accounts)		889,71,728	694,59,830
Fixed deposit shown under cash and cash equivalent		10,30,858	
		902,25,316	714,59,013
Bank overdrafts / Cash credit (Note 15B)		422,05,947	689,26,719
Balance as per statement of cash flows		480,19,369	25,32,294
Notes:			
Figures in brackets represent outflows			
<b>Notes to the Statement of Cash Flow</b>			
The accompanying notes are an integral part of the consolidated financial statements. (Refer Notes 1- 39)			
As per our report of even date attached			
For and on behalf of the Board of Directors			
For Chandrashekar Iyer & Co Chartered Accountants Firm Registration No :114260W	Asit D Javeri Executive Chairman	Arvind R Doshi Director	
Chandrashekar Iyer Partner Membership No :47723 Mumbai , May 28, 2019	Abhishek A Javeri Managing Director & CFO	Priyam S Jhaveri Director	
	Smt. Seema A Javeri Executive Director Administration	Pradeep N Desai Director	
	Nitin R Jani Company Secretary	Amit M Mehta Director	



**Notes to the Consolidated financial statements for the year ended March 31, 2019****1. CORPORATE INFORMATION**

1.1 Sadhana Nitro Chem Limited ("sncl" or the "parent company" or "the company"), together with its subsidiaries (collectively, the Group) is engaged in Manufacturing of chemical intermediates', heavy organic chemicals, performance chemicals and wireless network equipment and services. The Company is a public limited company incorporated and domiciled in India and has its registered office in Mumbai, Maharashtra India and manufacturing facility is located at Roha, Raigad Dist, Maharashtra India. The companies shares are listed on Bombay Stock Exchange (BSE)

**2. SIGNIFICANT ACCOUNTING POLICIES:**

2.01 **Statement of Compliance** The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the "Act") and other relevant provisions of the Act.

**2.02 Basis of preparation and presentation**

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price which that would be received or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**2.03 Principles of Consolidation****(i) Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the Group are consolidated on line - by - line basis, Intra - group transactions, balances and any unrealised gains arising from intra group transactions, are eliminated. Un realised losses are eliminated, but only to the extent that there is no evidence of impairment. All temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions are recognised as per Ind AS 12, Income Taxes.

For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

**Non - controlling Interests (NCI)**

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

**(ii) Loss of Control**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in statement of profit and loss.

**(iii) Goodwill**

Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Groups' share in the identifiable assets, with deduction for liabilities, calculated on the date of acquisition. Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the statement of profit and loss.

**2.04 Use of estimate**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognised in the periods in which the results are known/materialize.



Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax liabilities and provisions and contingent liabilities.

**Impairment of investments**

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.11.

**Provisions and contingent liabilities**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to unwinding of discount over passage of time is recognized as finance cost. Provisions are reviewed at the each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax liabilities and provisions and contingent liabilities. doption of Ind AS 12 Appendix

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

**Fair value measurements and valuation processes**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The Company has obtained independent fair valuation for financial instruments wherever necessary to determine the appropriate valuation techniques and inputs for fair value measurements. In some cases the fair value of financial instruments is done internally by the management of the Company using market-observable inputs.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The qualified external valuers establish the appropriate valuation techniques and inputs to the model. The external valuers report to the management of the Company their findings for every reporting period to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes no 29.



### 2.05 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch/delivery of goods based on contract with customers.

Revenue is measured on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives and returns, if any, as specified in the contracts with customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discount/ incentive and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and arrangements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

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

The Company has adopted Ind AS 115 using cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e., April 1, 2018) Accordingly, the comparative information in the statement of profit and Loss is not restated. The effect of the adoption of Ind AS 115 was insignificant.

#### Revenue (applicable up to March 31, 2018)

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

#### I. Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from sales and operation includes Excise Duty but excludes Sales Tax, Value Added Tax & GST

#### II. Sale Of Services

Revenue from Operations is recognised on accrual basis based on underlying subscription plan or agreements with the concerned subscribers / parties. Revenue from prepaid Internet Service plans, which are active at the end of accounting period, is recognised on time proportion basis. In other cases of Internet Service plans, entire revenue is recognised in the period of sale.

#### iii. Other Income

a. Dividend income from investments is recognised when the shareholder's right to receive payment has been established which is when the shareholders approve the dividend. (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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

### 2.06 Leases

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



**Operating Lease**

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

**Finance Lease**

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

**2.07 Foreign Currency**

The functional currency of the Company is Indian rupee.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

**2.08 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

**2.09 Government grants****(i) Government grants in respect of manufacturing units located in developing regions :**

The Company is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlements on accrual basis on approval of the initial claim by the relevant authorities and there is reasonable assurance that the grants will be received.

**(ii) Government grants in respect of additional Capital Expenditures :**

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets is accounted for as deferred income. The grant is recognised as income over the life of a depreciable asset by accounting deferred income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

**(iii) Export Incentives**

Export incentives under various schemes are accounted in the year of export.

**2.10 Employee benefits****(1) Defined Contribution Plan:**

Payments to defined contribution retirement benefit schemes viz. Company's Provident Fund Scheme and Superannuation Fund are recognised as an expense when the employees have rendered the service entitling them to the contribution.

**(2) Defined Benefit Plan:**

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

**(i) Gratuity:**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life Assurance Scheme with Life Insurance Corporation for future payment of gratuity to the eligible employees.

**(ii) Compensated Absences:**

The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit and the accumulated leave expected to be carried forward beyond twelve month is treated as long-term employee benefit which are provided based on the number of days of un utilised compensated absence on the basis of an independent actuarial valuation.

**2.11 Taxation**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of the tax currently payable and deferred tax.

**Current income tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

**Deferred income taxes**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.



### 2.12 Property, Plant and Equipment

Property, plant and equipment held for use in production or supply of goods or services or for administrative purposes are stated at cost less accumulated depreciation/amortization less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use.

Depreciation is recognized (other than on capital work-in-progress) on a straight line basis over the estimated useful lives of assets in respect of property plant & equipment & computers acquired after 1st April 2006. Property plant & equipment including non factory building furniture fixtures & vehicles acquired prior to 1st April 2006 are depreciated under WDV Method at the rates prescribed under Schedule II of Companies Act, 2013. Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement.

The economic useful lives of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part. Freehold land is not depreciated.

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 the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit or Loss.

### 2.13 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization. Amortization is recognized on a straight line basis over their estimated useful lives of 3 years, which reflects the pattern in which the asset's economic benefits are consumed. The estimated useful life, the amortization method and the amortization period are reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

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

### 2.14 Impairment Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction.

For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### 2.15 Inventories

Inventories of raw materials, stock-in-trade, stores & spares, Fuel, packing material, work in progress, stock in trade and finished goods are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Stock of scrap and spent acid is valued at net realizable value. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Stores and spares are valued on weighted average cost basis and all others are valued on a FIFO basis.



## 2.16 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

### Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

### Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

### Financial guarantee contracts:

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a holding company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of IND AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IND AS 18.

### Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

### Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

**Offsetting of financial instruments**

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

**2.17 Earnings Per Share (EPS)**

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

**2.18 Cash flow statement**

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

**2.19 Current/Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

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

- 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 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

Current liabilities include the current portion of long term financial liabilities.

The Company classifies all other liabilities 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 and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

**2.20 Share Capital Ordinary Shares**

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from other equity, net of any tax effects.

**2.21 Fair Value Measurement**

Fair value is the price that would be received from the sale of 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 an asset or transfer the liability takes place either:

- in the principle market for the asset or liability
- in the absence of principle market, in the most advantageous market for the asset or liability.

The principle or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.



The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 – Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities  
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 – Valuation Techniques for which the lowest level input that is significant to the fair value measurement is unobservable  
For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### Determination of Fair Value

##### 1) Financial Assets - Debt Instruments at amortized cost

After initial measurement the 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 cost that are an integral part of the EIR.

##### 2) Financial Assets - Debt Instruments at Fair Value through Other Comprehensive Income (FVTOCI)

Measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L.

##### 3) Debt instruments, derivatives and equity instruments at Fair Value through Profit or Loss (FVTPL)

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

##### 4) Financial Liabilities

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

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Companies financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

#### Subsequent Measurement

##### Fair value through Profit & Loss

Financial liabilities at fair value through profit & loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. All changes in fair value of such liabilities are recognized in statement of profit or loss.

##### Loans and Borrowings

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

#### 2.22 Dividend

Dividend on share is recorded as liability on the date of approval by the shareholders.



### 2.23 Investments

Long Term Investments are carried at cost. Provision for diminution is made to recognize the decline, other than temporary in the value of these investments. Current investments are carried at lower of the cost and fair value.

### 2.23 Segment Report

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and in assessing performance.

'The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter- segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

### 2.24 Recent accounting pronouncement

#### Ind AS 116 Leases:

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after 1 April 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
  - Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
  - An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application ( April 1,2019). Accordingly, comparatives for the year ended March 31,2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

#### Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.



The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1 April 2019. The Company will adopt the standard on 1 April 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1 April 2019 without adjusting comparatives. The Company is currently evaluating the effect of this amendment on the financial statements.

**Amendment to Ind AS 12 –**

**Income taxes:** On 30 March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company is currently evaluating the effect of this amendment on the financial statements.





## Notes forming part of the Consolidated financial Statements for the year ended March 31, 2019

Particular	Freehold Land	Factory Buildings	Non factory Buildings	Plant & Equipment (iii)	Furniture & Fixtures	Computers	Vehicles (ii)	Total	Capital work-in-progress	Refer Foot Note (i)
Gross Carrying amount										
Balance as at April 1, 2017	1651,44,000	230,56,152	39,87,236	1947,92,427	4,29,379	3,66,632	13,93,083	3890,68,909	869,93,828	
Additions on acquisition of subsidiary	-	-	-	34,26,364	6,49,479	19,80,160	-	60,56,003	56,28,295	
Additions	-	37,08,062	-	105,06,499	-	3,14,739	263,65,033	403,95,333	211,15,321	
Disposals	-	2,000	-	-	-	-	12,818	14,818	-	
Balance as at March 31, 2018	1651,44,000	265,62,214	39,87,236	2087,25,290	10,78,858	26,61,531	277,46,298	4355,05,427	1137,37,444	
Additions	-	316,37,428	10,67,134	2450,08,234	6,15,126	10,75,679	259,87,271	3053,91,072	609,41,181	
Balance as at 1st April, 2018	-	-	-	442,00,999	17,86,654	26,50,014	-	466,40,067	-	
Addition on Account of Merger (Refer Note No 35(iii))	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	49,88,978	49,88,978	1591,35,028	
Balance as at 31st March, 2019	1651,44,000	578,99,642	49,54,370	4979,34,723	34,82,638	63,87,624	487,44,591	7845,47,588	155,45,597	
Accumulated Depreciation										
Balance as at 1st April, 2017	-	24,13,625	3,69,287	160,76,543	12,729	31,860	3,66,153	192,20,047	-	
Additions on acquisition of subsidiary	-	-	-	15,85,923	2,38,782	18,65,391	-	36,89,996	-	
Addition	-	20,44,786	3,34,205	161,50,883	72,013	54,729	5,47,842	192,04,458	-	
Disposals	-	-	-	-	-	-	-	-	-	
Reclassification as held for sale	-	-	-	337,63,049	3,23,574	19,51,980	9,13,995	421,14,501	-	
Balance as at 31st March, 2018	-	44,58,411	7,03,492	157,60,392	10,32,389	24,56,351	44,88,872	192,39,132	-	
Additions on acquisition of subsidiary	-	-	3,02,566	214,53,206	1,02,557	2,98,876	-	288,82,058	-	
Addition on Account of Merger	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	44,68,319	44,68,319	-	
Balance as at 31st March, 2019	-	66,94,392	10,06,058	709,66,647	14,38,620	47,07,207	9,34,548	857,67,372	-	
Net carrying amount										
Balance as at 31st March 2018	1651,44,000	218,03,803	31,83,744	1749,62,241	7,55,284	7,09,551	268,32,303	3953,80,926	1137,37,444	
Balance as at 31st March 2019	1651,44,000	512,05,250	39,48,312	4269,68,076	20,24,118	16,80,417	478,10,048	6987,80,216	155,45,597	

Footnotes :

(i) Plant &amp; Equipment includes Office Equipments

(ii) Capital work in Progress of ₹ 1,43,82,671/- mainly consist of MAP iv &amp; ADAM plant being constructed in Roha.

(iii) Refer Note 15(c)(b) &amp; (d) for information on Property plant &amp; equipment pledged as security by the company.



Notes forming part of the Consolidated financial Statements for the year ended March 31, 2019

Note 3B: Intangible Assets

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(a)	Goodwill - On consolidation of Strix Wireless Systems Private Limited (Refer Note (i) below)	-	1042,03,979
(b)	- On consolidation of Spidigo Net Private Limited (Refer Note (ii) below)	636,23,270	-
	<b>Total</b>	<b>636,23,270</b>	<b>1042,03,979</b>

Footnotes:

- (i) Pursuant to the Scheme of Amalgamation (the Scheme ) sanctioned by the National Company Law Tribunal Mumbai Bench vide its order dated May 09, 2019, Strix wireless systems Pvt ltd (SWSPL) have been merged with the Company with effect from April 01, 2018 (the Appointed Date). The merger is accounted under absorption method in terms of the scheme sanctioned by the Company law tribunal Mumbai Bench and all assets, liabilities and reserves have been recorded in the books of accounts of the Company at the respective carrying amounts and in the same form. The difference between the share capital of the transferor company and the gross value recorded as investments is adjusted and the difference is adjusted in reserves in accordance with the scheme. (Refer Note no 35(iii))
- (ii) During the year the company acquired the entire shares of Spidigo Net Pvt Ltd. As a result Spidigo Net Pvt Ltd has become its wholly owned subsidiary with effect from March 11, 2019 and Goodwill on consolidation amounting to R 6,36,23,270 being the difference between the net assets and the value of investments recorded in the books of the holding company.



## Notes forming part of the Consolidated financial Statements for the year ended March 31, 2019

## Note 4A: Investments

(Amount in ₹)

Sr. No	Particular	Face Value	March 31, 2019		March 31, 2018	
			Holdings As At	₹	Holdings As At	₹
	<b>Non Current Investments</b>					
(i)	Other Investments (At cost)					
	Quoted					
	Anco Communication Ltd	Rs 10	500	71,788	500	71,788
	Enara Finance Ltd	Rs 10	3,900	78,000	3,900	78,000
	Indian Extractions Ltd	Rs 10	15,000	5,08,194	15,000	5,08,194
	Indo-biotech Ltd	Rs 10	5,000	1,91,250	5,000	1,91,250
	First object Technologies Ltd	Rs 10	2,000	81,400	2,000	81,400
	Maxworth orchards Ltd	Rs 10	1,300	13,000	1,300	13,000
	Ojas Technochem Products Ltd	Rs 10	5,000	1,31,495	5,000	1,31,495
				10,75,127		10,75,127
	Less: Provision for decline other than temporary, in value of non current investments			10,75,127		10,75,127
	<b>Total</b>			-		-
	Footnotes :					
	(i) Aggregate cost of quoted investments			10,75,127		10,75,127
	Aggregate market value of quoted investments			-		3,78,800
	(ii) Aggregate value of unquoted investments			-		-
	(iii) Aggregate amount of impairment in value of investments			10,75,127		10,75,127

## Note 4B: Current Investments

Sr. No	Particular	Face Value	March 31, 2019	March 31, 2018
	Investments measured at fair value through other comprehensive income			
(i)	In Mutual Funds			
	Quoted			
	HDFC Liquid Fund 563.129 Units (PY. NIL)	Rs 10	1,03,496	0
	L & T Long Duration Growth 12,98,141 Units (PY. NIL)*	Rs 10	259,95,415	0
	HDFC Long Duration Growth 6,62,552 Units (PY. NIL)*	Rs 10	259,23,531	0
	<b>Total</b>		520,22,442	0

\* Refer note no 15C(d) for information on Mutual Funds pledged as security.



Notes forming part of the Consolidated financial Statements for the year ended March 31 ,2019

## Note 5 - Loans

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
A	Non Current Loans (Unsecured Considered Good , unless otherwise stated)		
(i)	Loan to related party at amortised cost -Subsidiary company (Refer Note 37 )		842,94,647
(ii)	Loan to staff	11,05,539	13,78,946
	<b>Total</b>	<b>11,05,539</b>	<b>856,73,593</b>
	Loans to related parties comprise loans to the following Wholly Owned subsidiaries		
(i)	Strix Wireless Systems Private Limited	-	842,94,647
	Maximum amount outstanding during the year	-	842,94,647
B	Current Loans (Unsecured Considered Good , unless otherwise stated)		
(i)	Loan to staff	9,98,230	6,75,341
(ii)	Other*	1,15,449	-
	<b>Total</b>	<b>11,13,679</b>	<b>6,75,341</b>
	* Others include		
	Salary Advance	79,460	-
	Other Advances Receivable in cash & Kind	35,989	-
	<b>Total</b>	<b>1,15,449</b>	<b>-</b>

## Note 6 - Other financial assets

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
B	Current Financial Assets		
(i)	Inter corporate Deposits(Refer Note (i)Below)	566,56,711	-
	Others:		
	Interest accrued on deposit	36,525	4,11,500
	Advance recoverable in cash or kind	453,74,855	-
	Prepaid expenses	12,51,424	-
	Others	16,041	-
	<b>Total</b>	<b>1033,35,556</b>	<b>4,11,500</b>

Footnotes:

- (i) Includes secured Inter Corporate Deposits of ₹ 4 Crores, however charge is yet to be created in favour of the Company.



## Notes forming part of the Consolidated financial Statements for the year ended March 31, 2019

## Note No. 7 - Deferred tax Liabilities/(Asset) (Net)

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
	Deferred Tax Liability		
(i)	Depreciation on fixed assets	332,69,095	226,27,770
(ii)	Gross Deferred Tax Liability (1)	332,69,095	226,27,770
	Deferred Tax Asset		
(i)	Employee Benefit obligations	(168,28,561)	(104,67,974)
(ii)	Brought forward unabsorbed depreciation to be carried forward to next years	-	(426,24,893)
	Other disallowable expenses	(5,39,549)	(21,03,965)
	MAT Credit Entitlement		
	Others		
	Gross Deferred Tax Asset (2)	(173,68,110)	(551,96,832)
	Net Deferred Tax Liability/(Asset) (1-2)	159,00,985	(325,69,062)

## Footnote:

Deferred tax asset on unabsorbed depreciation as per the Income Tax Act, 1961 has been recognised, since it is probable that taxable profit will be available to adjust them in the future years. Unabsorbed depreciation which forms major portion of the Deferred Tax Asset can be carried forward and set off against the profits for unlimited number of years under the Indian Income Tax Act, 1961 and profitability projections based on current margins show sufficient profits for set-off in future.

For the year ended March 31, 2019	Opening Balance	Recognised in profit or loss	On account of consolidation	Recognised in OCI	Adjustment on account of merger	Closing Balance
Deferred Tax Liability						
Plant Property Equipment	226,27,770	106,41,325	-	-	-	332,69,095
Gross Deferred Tax Liability	226,27,770	106,41,325	-	-	-	332,69,095
Deferred Tax Asset						
Opening Balance on Consolidation	-	-	(4,57,827)	-	-	(4,57,827)
Defined benefit obligation	(104,67,974)	(63,60,587)	-	-	-	(168,28,561)
Other Disallowable Expenses	(21,03,965)	15,64,416	-	-	-	(5,39,549)
Brought forward unabsorbed depreciation to be carried forward to next years	(426,24,893)	430,82,720	-	-	-	4,57,827
Gross Deferred Tax Asset	(551,96,832)	382,86,549	(4,57,827)	-	-	(173,68,110)
	(325,69,062)	489,27,874	-	-	-	159,00,985

For the year ended March 31, 2018	Opening Balance	Recognised in profit or loss	Recognised in OCI	Adjustment on account of merger	Closing Balance
Deferred Tax Liability					
Plant Property Equipment	-	227,96,497	-	(1,68,727)	(226,27,770)
Gross Deferred Tax Liability	-	227,96,497	-	(1,68,727)	(226,27,770)
Deferred Tax Asset					
Defined benefit obligation	-	(101,20,533)	-	(3,47,441)	(104,67,974)
Other Disallowable Expenses	-	(9,70,462)	-	(11,33,503)	(21,03,965)
Brought forward unabsorbed depreciation to be carried forward to next years	-	(426,24,893)	-	-	(426,24,893)
Gross Deferred Tax Asset	-	(537,15,888)	-	(14,80,944)	(551,96,832)
	-	(309,19,391)	-	(16,49,671)	(325,69,062)



Notes forming part of the Consolidated financial Statements for the year ended March 31, 2019

## Note 8 - Other Assets

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
<b>A</b>	<b>Non Current Assets</b>		
(i)	Capital advance	174,53,187	314,86,328
(ii)	Security Deposits with Public Bodies and others	99,21,343	65,56,439
(iii)	Balance with Statutory/Revenue Authorities	5,50,000	84,40,076
(iv)	Prepaid Expenses	5,48,973	5,13,782
	<b>Total</b>	<b>284,73,503</b>	<b>469,96,625</b>
<b>B</b>	<b>Current Assets</b>		
(i)	Balance with Statutory/Revenue Authorities	1384,69,437	1144,10,853
(ii)	Advance to Vendor	38,63,092	193,20,916
(iii)	Prepaid Expenses	26,54,076	19,54,543
	<b>Total</b>	<b>1449,86,605</b>	<b>1356,86,312</b>

## Note - 9 : Inventories (At lower of cost and net realisable value)

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	Raw materials(Include Packing Materials ₹ 20,26,557/- ( March 31,2018 ₹ 19,30,457/- )	254,85,600	658,23,895
(ii)	Work-in-progress	923,68,622	745,14,398
(iii)	Finished Goods	2479,15,645	325,42,888
	Stock in transit	35,93,749	14,05,998
(iv)	Stores & Spares	396,70,210	418,53,144
(v)	Others (Fuel,Packing Material)	16,48,588	22,06,592
	<b>Total</b>	<b>4106,82,414</b>	<b>2183,46,915</b>

Footnotes:

- (i) Refer Note no 15C(d) for information on Inventories mortgaged as security for borrowings .

## Note No. 10 - Trade receivables

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	Unsecured Considered good	1558,99,105	1528,66,705
(ii)	Considered doubtful	-	17,00,239
	Less : Allowance for doubtful debts	-	17,00,239
	<b>Total</b>	<b>1558,99,105</b>	<b>1528,66,705</b>

Footnote :

- Trade receivables are dues in respect of goods sold in the normal course of business.
- The normal credit period allowed by the company ranges from 60 to 90 days.
- No trade or other receivables are dues from directors or other officer of the group either servally or jointly with any other person nor any trade or other receivables are due from firm or private companies respectively .
- Refer Note no 15C(d) for information on Trade Receivables mortgaged as security for borrowings .
- Refer note no 26(i) for Credit Risk



Notes forming part of the Consolidated financial Statements for the year ended March 31, 2019

**Note - 11 : Cash and Cash Equivalents**

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	Cash in hand	2,22,730	19,99,183
(ii)	Balance with bank in current account	889,71,728	694,59,830
	Fixed Deposits	10,30,858	
	<b>Total</b>	<b>902,25,316</b>	<b>714,59,013</b>

**Note - 12 : Other Balances with Bank**

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	Call and short term deposit accounts		
	Margin money Deposits with original Maturity <12 Months [Refer Note no (a) below]	15,01,925	81,13,425
	Fixed Deposit with Bank	13,00,000	-
		<b>28,01,925</b>	<b>81,13,425</b>

Footnotes :

(a) Deposits with carrying amount of ₹ 15,01,925 (March 31, 2018 - ₹ 81,13,425 ) are subject to first charge against bank guarantees.



## Notes forming part of the Consolidated financial Statements for the year ended March 31, 2019

## Note 13 : Equity Share Capital

Particulars	(Amount in ₹)	
	March 31, 2019	March 31, 2018
Authorised Capital:* 2,00,00,000 Equity Shares of ₹ 5/- each (March 31, 2018: 1,00,00,000 Equity Shares of ₹ 10/- each) (Refer note no (i & ii) below)	100000000	100000000
Issued Subscribed & Paid up: 1,86,30,298 Equity Shares of ₹ 5/- each fully paid (March 31, 2018: 93,15,149 Equity Shares of 10/- each)	931,51,490	931,51,490
<b>Total</b>	<b>931,51,490</b>	<b>931,51,490</b>

## Footnotes:

(i) Authorised capital of 11000000 (2018 :11000000 ), 1% Non convertible Non Cumulative Redeemable Preference Share of 10/- each is not considered above. Redeemable Preference shares issued have been considered as borrowings in accordance with the requirement of Ind AS. Refer Note 15C (c)

(ii) Sub - division of Equity shares : On 29th January 2019 , Pursuant to a approval of the members in the extra ordinary general meeting, the Company sub divided the equity shares of the face value of 10/- to share of the value of 5/- per share Unless otherwise noted, impacted amounts and share information included in the financial statements relating to authorised , issued and subscribed capital have been adjusted for the subdivision .

## (a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	(Amount in ₹)			
	March 31, 2019		March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Equity				
No of shares outstanding at the beginning of the year	93,15,149	931,51,490	92,00,830	920,08,300
Add: Additional shares issued during the year	-	-	1,14,319	11,43,190
Add : Increase on account of shares sub -divided during the year (Refer Note no (ii) above)	93,15,149	-	-	-
Less: Shares forfeited/Bought back during the year	-	-	-	-
No of shares outstanding at the end of the year	186,30,298	931,51,490	93,15,149	93,151,490

## (b) Terms/Rights attached to Equity shares:

The company has only one class of equity shares having at par value of 5/-(PY 10/-) per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the share holders in the ensuing annual general meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to number of shares held by share holder.

## (c) Shareholders holding more than 5% shares in the Company :

Particulars	March 31, 2019		March 31, 2018	
	No of Shares *	% of Holding	No of Shares	% of Holding
Equity Shares of ₹ 5/- each (PY ₹ 10/- ) fully paid				
Manekchand Panachand Trading Investment Co.Pvt.Ltd	119,21,222	63.99	59,60,611	64.78
Asit Javeri	9,56,180	5.13	-	-

## \* adjusted for sub-division of shares.

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares  
None of the shareholders other than the holding company and Mr Asit Javeri hold more than 5% as on the reporting date

## (d) Equity Shares in the entity held by holding company:

Particulars	March 31, 2019		March 31, 2018	
	No of Shares *	% of Holding	No of Shares	% of Holding
Manekchand Panachand Trading Investment Co.Pvt.Ltd	119,21,222	63.99	59,60,611	64.78

## \* adjusted for sub-division of shares.

(v) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date - Nil (March 31, 2018 - Nil)

## (e) Shares reserved for issue under Options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company - Refer Note 30





## Notes forming part of the Consolidated financial Statements for the year ended March 31 ,2019

## Note 14 : Other Equity

		(Amount in ₹)	
Sr. No	Particulars	March 31, 2019	March 31, 2018
	<b>Reserves and Surplus</b>		
(i)	<b>Capital Reserve</b>		
	Opening balance	2,44,848	2,23,525
	Addition / (deletion)	(4,952)	21,323
	Closing balance	2,39,896	2,44,848
(ii)	<b>Capital Redemption Reserve</b>		
	Opening balance	5,00,000	5,00,000
	Add: Additions (Refer note no 15C(c))	960,00,000	-
	Closing Balance	965,00,000	5,00,000
(iii)	<b>Securities Premium Account</b>		
	Opening balance	93,76,727	54,96,740
	Add: Premium on issue of sweat equity shares	-	38,79,987
	Closing balance	93,76,727	93,76,727
(iv)	<b>Retained Earnings</b>		
	Opening balance	1334,95,722	(2160,94,099)
	Other comprehensive income	-	385,60,823
	Profit for the year	7575,08,333	3109,01,389
	<u>Adjustment on account of amalgamation (Refer Note No. 35(iii) )</u>		
	a) Balance in Statement of Profit and Loss of Transferor Company	(1089,49,860)	-
	b) Surplus being the difference between share capital of transferor company and investment of the company	39,13,487	-
	Adjustment on account of preference shares (Refer note no 15C(c))	(586,07,130)	-
	Transfer to Capital Redemption Reserve (Refer note no 15C(c))	(960,00,000)	-
	Dividend including dividend distribution tax	(112,30,344)	-
	Add/(less): Foreign currency monetary item translation difference account	11,33,141	1,27,609
	Closing balance	6212,63,349	1334,95,722
(v)	<b>Transition Reserve</b>		
	Opening and Closing balance	884,49,427	884,49,427
(vi)	<b>General Reserve</b>		
	Opening and Closing balance	1333,29,906	1333,29,906
(vii)	<b>Employee Share Based Payment reserve(Refer Note No 30)</b>		
		97,06,989	-
		97,06,989	-
	<b>Total</b>	<b>9588,66,294</b>	<b>3653,96,630</b>

**Capital Reserve :**  
Capital Reserve is utilised in accordance with the provisions of the Act.

**Capital Redemption Reserve**  
Capital redemption reserve represents reserve created on redemption of preference shares. It is non distributable reserve

**Securities Premium Reserve**  
Securities Premium Reserve is used to record the premium on issue of shares . This reserve is utilised in accordance with the provisions of the Act.

**Retained Earnings**  
The amount that can be distributed by the company as dividend to its equity shareholders

**Transition Reserve**  
Transition Reserve represents reserve created on transition from Accounting Standards to Ind AS.

**General Reserve**  
General reserve is used from time to time to transfer profits from retained earnings for appropriation purpose.

**Share based Payment Reserve**

The Company has established equity settled share based payment plans for certain categories of employees of the company. Refer note 30 for further details of these plans.



Notes forming part of the Consolidated financial Statements for the year ended March 31, 2019

Note - 15 : Borrowings

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
<b>A</b>	<b>Long Term Borrowings</b>		
(a)	<b>Secured Borrowings:</b>		
(i)	Term loan - Bank (Refer Note 15C( a ) below)	196,00,265	-
(ii)	Term Loan - Others (Refer Note 15C( b ) below)	161,18,068	302,23,254
		357,18,333	302,23,254
	Less :Current Maturity of Long term borrowings disclosed under the head other financial (Refer Note 16)	74,14,206	77,94,327
		283,04,127	224,28,927
(b)	<b>Unsecured Borrowings</b>		
i	Inter Corporate Deposit	21,25,000	-
ii	Redeemable preference shares 9600000 1% Non convertible , Non cumulative (2017 - 9600000 9% Non convertible , Cumulative and 2016 - 9600000 9% Non Convertible , Cumulative ) Redeemable Preference Shares of ₹ 10 /-(2017 - ₹ 10/- and 2016 - ₹ 10/-) [Refer note 15C ( c ) below]	-	430,01,800
		21,25,000	430,01,800
	<b>Total</b>	<b>304,29,127</b>	<b>654,30,727</b>
<b>B</b>	<b>Short Term Borrowings</b>		
(a)	<b>Secured Borrowings</b>		
(i)	Working Capital Loan from Bank [Refer Note 15C ( d )]	422,05,947	689,26,719
(b)	<b>Unsecured Borrowings</b>		
(i)	Inter Corporate Deposit [Refer note 15C( e ) below]	11,31,984	147,15,856
	<b>Total</b>	<b>433,37,931</b>	<b>836,42,575</b>

## C Footnotes:

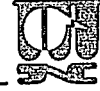
- (a) Term loan from a bank is secured by charge on motor vehicles. Refer Note (f) below for terms of repayment , interest etc. Term loan - others is secured by charge on motor vehicles and plant and machinery. Charge is yet to be registered in respect of two motor vehicles . Refer Note (f) below for terms of repayment , interest etc.
- (b) Redeemable Preference Shares :During the year the company redeemed its 96,00,000 Non convertible , Non cumulative Preference shares of ₹ 10/- , at a premium of ₹ 8/- per share (early redemption). The amount paid on early redemption is allocated to the liability and equity component at the date of early redemption in the same method that was used to make the original allocation of the proceeds upon initial transition to Ind AS. The premium amounting to ₹ 7,68,00,000 /- is shown as finance cost. On redemption, the nominal value of shares redeemed amounting to ₹ 9,60,00,000 has been transferred to capital redemption reserve in accordance with the provisions of the Companies Act.
- (c) The company has working capital facilities from a Bank at interest rate libor plus 4.25% pa. These facilities are secured by exclusive charge on present and future stocks and book debts, exclusive charge on entire plant and machinery , charge by way of pledge on debt mutual funds of ₹ 5 crores . Further secured by personal guarantee of Chairman and Managing Director and Corporate Guarantee of Holding Company.
- (d)(i) # Working capital loan from a bank carrying interest rate of 12.95 % p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116 and
- (d)(ii) further secured by personal guarantee of Chairman and Managing Director of the company  
# These details relates to previous year
- (e) Inter Coporate Deposits are carrying interest rate of 12% and repayable on or before April 2019.



## Footnotes 15C Continued..

Particulars	(Amount in ₹)									
	March 31, 2019					March 31, 2018				
	Rate of Interest	Year of Maturity	No of Installments Left	Year of Maturity	Amount Outstanding as at March 31, 2019	No of Installments Left	Year of Maturity	Amount Outstanding as at March 31, 2018	No of Installments Left	Amount Outstanding as at March 31, 2018
Loan Account Number										
5620	0.085	2023-24	50	2023-24	17,32,975	0	2023-24	17,32,975	0	0
5165	0.085	2023-24	50	2023-24	17,32,975	0	2023-24	17,32,975	0	0
3937	0.0825	2022-23	48	2022-23	83,16,650	60	2022-23	100,00,000	60	100,00,000
6860	0.0825	2022-23	48	2022-23	78,17,665	60	2022-23	94,00,000	60	94,00,000
			Total		196,00,265	Total		194,00,000		
			Less : Current maturity of long term borrowings shown in current liabilities		42,71,278			32,65,685		
			Balance		153,28,987			161,34,315		
Term Loan - Others										
Loan Account Number										
772834	0.1691	-	-	2022-23	-	42	2022-23	22,83,725	11	31,76,878
1720446	0.1275	2022-23	43	2022-23	22,48,802	55	2022-23	27,59,773	54	28,02,108
1760357	0.1275	2022-23	46	2022-23	17,23,059	58	2022-23	20,84,495	55	27,59,773
2037897	0.1275	2023-24	59	2023-24	49,31,241	0	2023-24	0	0	20,84,495
16801135	0.0915	2023-24	59	2023-24	49,31,241	0	2023-24	0	0	0
16801148	0.0915	2023-24	59	2023-24	49,31,241	0	2023-24	0	0	0
			Total		161,18,068	Total		108,23,254		
			Less : Current maturity of long term borrowings shown in other current liabilities		31,42,928			45,28,642		
			Balance		129,75,140			62,94,612		
			Total Balance as per 15A(a)		283,04,127			224,28,927		

(g) The companies exposure to liquidity interest rate and currency risks are disclosed in note no 26(ii)



Notes forming part of the Consolidated financial Statements for the year ended March 31, 2019

## Note 16 - Other financial liabilities

(Amount in ₹)

Sr. No	Particulars	March,31 2019	March 31, 2018
	<b>Current Financial Liabilities</b>		
(i)	Current maturity of long term borrowings (Refer note 15 A(a))	74,14,206	77,94,327
(ii)	Other payables -Advance from customers	83,20,357	50,06,564
(iii)	Interest accrued but not due on borrowings	2,36,318	2,96,297
(iv)	Redeemed Preference Share & Excess right issue (Unclaimed)	27,393	27,393
(v)	Creditors for Capital Expenditure	603,21,673	233,63,662
(vi)	Unclaimed Dividend	1,45,216	-
(vii)	Services	7,86,038	-
(viii)	Security Deposit from Customer	11,74,650	-
(ix)	Dividend payable	4,38,644	1,51,167
	<b>Total</b>	<b>788,64,495</b>	<b>366,39,410</b>

## Note 17 - Provisions

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
<b>A</b>	<b>Non Current</b>		
	Employee Benefit Obligations		
(i)	Compensated absences	84,15,690	51,28,365
(ii)	Gratuity (Refer Note No. 29)	196,79,368	204,95,146
	<b>Total</b>	<b>280,95,058</b>	<b>256,23,511</b>
<b>B</b>	<b>Current</b>		
	Employee Benefit Obligations		
(i)	Compensated absences	206,12,919	87,25,150
(ii)	Gratuity (Refer Note No. 29)	135,21,983	41,55,054
	<b>Total</b>	<b>341,34,902</b>	<b>128,80,204</b>

(Amount in )

(i)	Movement in provisions	Gratuity	Compensated absences
	Opening balance	246,50,200	181,21,165
	Add/Less :Provision recognised /(reversed) during the year	41,11,581	65,29,035
	Closing balance	287,61,781	246,50,200



Notes forming part of the Consolidated financial Statements for the year ended March 31, 2019

## Note 18 - Other Liabilities

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
B	Current		
(i)	Statutory Dues	597,33,233	134,09,321
(ii)	Employee Dues	261,58,302	249,22,621
(iii)	Deposit from Customer	113,75,067	-
(iv)	Income received in advance	167,85,573	-
(v)	Advance From Customer	561,85,055	3246,50,751
(vi)	Other current liabilities	66,43,001	1145,86,127
(vii)	Bank Temporary Overdraft	432,10,322	-
	Total	2200,90,553	4775,68,820

## Note - 19 : Trade Payables

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	Micro and Small Enterprises	-	-
(ii)	Others	12,10,98,086	23,24,43,877
	Total	12,10,98,086	23,24,43,877

( a ) Disclosure required under Clause 22 of Micro , Small and Medium Enterprises Development ('MSMED') Act , 2006

Particulars	March 31, 2019	March 31, 2018
a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year:		
-Principal amount due to Micro and small enterprises:	81,57,010	-
-Interest due on above:	5,30,475	-
b) the amount of interest paid by the buyer under MSMED Act,2006 along with the amounts of the payment made to the supplier beyond the appointment day during each accounting year	-	-
c) the amount of interest due and payable for the period(where the principal has been paid but interest under the MSMED Act 2006-Not paid	5,30,475	-
d)The amount of interest accrued and remaining unpaid at the end of accounting year.	5,30,475	-
e)The amount of further interest due and payable even in the succeeding year,until such date when the interest dues as above are actually paid to the small enterprises,for the purpose of disallowances as a deductible expenditure under section 23.	3,67,065	-

( b ) All trade payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note no 26(ii)



Notes forming part of the Consolidated financial Statements for the year ended March 31, 2019

**Note 20: Revenue from Operations**

Details of revenue from contract with customers recognised by the company, net of indirect taxes in the statement of profit and loss.

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	Sales of Products		
	(a) Finished Goods	25579,10,422	11132,29,522
	(b) Traded Goods	109,91,528	
	<b>TOTAL</b>	<b>25689,01,950</b>	<b>11132,29,522</b>
(ii)	Sale of services	274,02,203	
(iii)	<u>Other Operating Revenue</u>		
	Sale of scrap & sales other	15,84,837	3,81,681
	Export Benefit	723,78,333	283,89,687
	Sundry balances written back	-	14,78,882
	<b>Total</b>	<b>26702,67,323</b>	<b>11434,79,772</b>

**2 Disaggregate revenue Information:**

The table below presents disaggregated revenue by product type/brand. The company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are effected by industry, market and other economic factors.

(Amount in ₹)

Sr No	Product Type:	March 31, 2019	March 31, 2018
(a)	Sale of Products		
	MAP	17824,22,194	10279,89,049
	SND 27 (ODB 2)	6315,32,158	86,76,744
	Others	1549,47,598	765,63,729
	<b>Total</b>	<b>25689,01,950</b>	<b>11132,29,522</b>
(b)	Sale of services	274,02,203	0
(c)	Other operating revenue		
	(i) Sale of scrap & sales other	15,84,837	3,81,681
	(ii) Export Benefit	723,78,333	283,89,687
	(iii) Sundry balances written back	0	14,78,882
	<b>Total</b>	<b>739,63,170</b>	<b>302,50,250</b>

3 Sales includes excise duty upto 30th June 2017 and Hence figures are not comparable.



Notes forming part of the Consolidated financial Statements for the year ended March 31, 2019

## Note - 21 Other Income

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	Interest Income on:		
	a) Deposits with banks and financial institutions TDS ₹791 (P.Y. ₹ 23109)	7,907	6,87,462
	b) Others	33,39,955	8,15,555
(ii)	Balances Written Back	76,67,240	-
(iii)	Other Miscellaneous income	51,084	4,00,202
(iv)	Foreign Exchange Gain (Net)	43,833	9,83,344
(v)	Profit on sale of Assets	11,38,559	-
(vi)	Dividend Received	2,23,553	-
	<b>Total</b>	<b>124,72,131</b>	<b>28,86,563</b>

## Note 22A - Cost of materials consumed

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	Inventory at the beginning of the year	635,89,248	153,30,549
(ii)	Inventory on account of merger	22,34,646	-
(iii)	Add: Purchases	8830,22,102	4696,37,859
		9488,45,996	4849,68,408
(iv)	Less: Inventory at the end of the year	219,04,728	658,23,894
	<b>Cost of materials consumed</b>	<b>9269,41,268</b>	<b>4191,44,514</b>

## Value of Raw Material Consumed

(Amount in ₹)

Sr No	Particular	March 31, 2019	
1	Imported	0.0045	18,52,263
2	Indigenous	0.9955	4172,92,251

(Amount in ₹)

Sr No	Raw Material Consumed	March 31, 2019	March 31, 2018
(i)	Benzene	1141,55,201	892,25,847
(ii)	Nitric acid	595,91,522	294,46,980
(iii)	Cast iron powder	1106,86,187	699,41,019
(iv)	Oleum 65%	530,88,532	318,11,171
(v)	Caustic Potash Flakes	-	22,59,049
(vi)	Packaging Material	42,29,337	31,98,851
(vii)	Other	5851,90,489	1932,61,597
	<b>Total</b>	<b>9269,41,268</b>	<b>4191,44,514</b>



## Note 22B- Changes in inventories of finished goods, stock-in-trade and work-in-progress

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	Opening Stock		
	Raw materials and packing materials	33,31,405	-
	Work in progress on a/ of merger	711,82,993	712,15,981
	Finished goods	327,52,476	800,52,648
	Scrap	3,25,000	3,00,000
	Total (i)	1075,91,874	1515,68,629
(ii)	Closing Stock		
	Raw materials and packing materials		
	Work in progress	959,49,494	745,14,398
	Finished goods	2479,15,645	617,37,266
	Scrap	3,25,000	3,25,000
	Total (ii)	3441,90,139	1365,76,664
	Changes in Inventories Decrease/(Increase)(i-ii)	(2365,98,265)	149,91,965
	Total	(2365,98,265)	149,91,965

## Note 22C Excise Duty

The Government of India has implemented Goods and Service Tax (GST) from July 1, 2017 replacing excise duty, service tax and various other indirect taxes. Excise duty for the year ended March 31, 2018 pertains to the period of 3 months (April to June 2017).

## Note 23- Employee Benefit Expenses

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	Salaries and wages, including bonus	2673,63,291	831,37,579
(ii)	Employee Share Based compensation expense	97,06,989	-
(iii)	Contribution to Provident and other funds (Refer Note No. 29(a) )	74,56,207	34,76,318
(iv)	Gratuity (Refer Note No. 29(b) )	28,98,240	40,86,270
(v)	Leave Encashment expense	126,44,255	50,23,117
(vi)	Staff welfare expenses	27,06,797	17,66,956
	Total	3027,75,779	974,90,240

## Note -24 Finance Cost

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	Interest expense on term loans and other financial liabilities	26,64,419	213,77,235
(ii)	Interest cost on preference share liability	11,57,376	56,08,930
(iii)	Other borrowing cost	55,91,261	200,57,902
(iv)	Interest on Delayed Payment of tax	114,26,023	24,00,000
(v)	Share premium on preference share(Refer note 15C(c) )	768,00,000	-
(vi)	Foreign Exchange Fluctuation	222,78,489	26,20,867
	Total	1199,17,568	520,64,934





Notes forming part of the Consolidated financial Statements for the year ended March 31, 2019

## Note 25 - Other Expenses

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
(i)	Power and fuel	1578,30,099	1006,80,299
(ii)	Rent	46,49,006	7,90,423
(iii)	Rates & Taxes	224,13,862	99,18,001
(iv)	Insurance	40,37,316	15,04,013
(v)	Printing & Stationery	18,13,324	12,05,922
(vi)	Postage, Telegram & Telephone (Communication Expenses)	22,47,819	13,24,540
(vii)	Travelling & Conveyance Expenses	254,25,802	61,84,298
(viii)	Legal & Professional fees	141,46,938	73,03,781
(ix)	Directors Fees	4,25,000	1,41,000
(x)	Electricity charges	6,46,889	2,02,050
(xi)	Security Charges	26,45,246	21,14,734
(xii)	Stores & spares Consumed	635,37,183	265,31,107
(xiii)	<u>Repairs &amp; Maintenance</u>		
	Plant & Machinery	81,23,353	22,15,336
	Others	277,33,159	30,30,344
(xiv)	Other Manufacturing Expenses	157,41,834	99,81,809
(xv)	Effluent Expenses	115,96,495	36,91,962
(xvi)	Research & Development Expenses	93,700	2,56,100
(xvii)	Payment to auditors (Refer Note A below)	5,00,000	3,80,000
(xviii)	<u>Selling Expenses</u>		
	Freight and Forwarding Expenses	174,49,387	271,22,546
	Commission Charges	387,20,898	26,57,914
	Local Freight & other expenses	250,49,326	128,85,849
		42,67,325	
(xix)	Foreign Exchange Fluctuation	31,02,201	72,25,158
(xx)	Bad debts & Sundry Debit Balances written off	-	144,00,000
(xxi)	Guarantee Commission	-	804
(xxii)	Amortisation of Lease hold land	-	-
(xxiii)	Miscellaneous Expenses	199,72,147	180,53,723
(xxiv)	Preference Shares Dividend	-	-
	<b>Total</b>	<b>4721,68,309</b>	<b>2598,01,713</b>

## Note A : Payment to Auditors :

Sr.No	Particulars	March 31, 2019	March 31, 2018
(i)	As Auditor*		
	Statutory Audit Fee	5,00,000	3,80,000
	<b>Total</b>	<b>5,00,000</b>	<b>3,80,000</b>



## Notes forming part of the Consolidated financial Statements for the year ended March 31, 2019

## Note No - 26 Financial Instruments and Risk Review

## Capital Management

The key objective of the Group's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold the investor, creditor and customer confidence and to ensure future development of its business. The Group focused on keeping strong total equity base to ensure independence, security as well as high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Group. The Group's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future periods. The amount of future dividends of equity shares will be balanced with efforts to continue to maintain an adequate liquidity status.

Particulars	(Amount in ₹)	
	March 31, 2019	March 31, 2018
Total equity attributable to equity shareholders of the company	10520,17,784	4585,48,120
As a percentage of total capital	93	75
Long term borrowings	304,29,127	654,30,727
Short term borrowings	433,37,931	836,42,575
Total borrowings	737,67,058	1490,73,302
As a percentage of total capital	7	25
Total Capital (Equity and Borrowings)	11257,84,842	6076,21,422

The company business plan coupled with global macro economic scenario have helped the company achieve enhanced profitability and liquidity resulting improved equity base and lower the risk profile of the company.

## Financial Risk Management Framework

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

- a) Credit risk
- b) Liquidity risk
- c) Market risk

## i) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract leading to financial loss. The credit risk arises principally from its operating activities ( primarily trade receivables) and from its financing activities including deposits with banks and financial institutions and other financial instruments.

The customer credit is managed by the group's established policy, procedures and controls relating to customer credit management. The group has established a credit policy under which each new customer is analysed individually for credit worthiness before the group's standard payment and delivery terms and conditions are offered. The group's review includes external ratings where available and other publicly available financial information. Outstanding customers receivables are regularly monitored and any shipment to major customers are generally covered by letter of credit or other forms of credit insurance.

The following table gives details in respect of percentage of revenues generated from top five customer:

Particulars	March 31, 2019	March 31, 2018
Revenue from top five customers	74.61	39.54

The company establishes an allowance for impairment that represents fixed estimate of expected losses in respect of trade and other receivable. The maximum exposure to credit risk as at reporting date is primarily from trade receivable amounting to ₹ 32,28,35,289/- (P.Y. ₹ 7,68,17,476/-). The movement in allowance for impairment in trade and other receivables during the year was as follows :

Particulars	March 31, 2019	March 31, 2018
Opening balance	17,00,239	-
Impairment loss recognised / reversed	(17,00,239)	17,00,239
Closing balance	-	17,00,239

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit ratings agencies.

## ii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure as far as possible that will have sufficient liquidity to meet its liabilities when they are due under both normal and stressed conditions without incurring unacceptable losses or risking damage to company's reputation.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the company maintains the following line of credit.

a) Working capital loan from a bank carrying interest rate of 12.95 % p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116 and further secured by personal guarantee of Mr A. D. Javeri Chairman and Managing Director of the company.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2019.

Particulars	Less than 1 year			Total
	1 to 2 years	2 to 5 years	Total	
Long term borrowings	81,43,020	111,90,711	110,95,396	304,29,127
Short term borrowings	433,37,931	-	-	433,37,931
Trade payable	1210,98,086	-	-	1210,98,086
Other financial liabilities	488,64,495	-	-	488,64,495
<b>Total</b>	<b>2214,43,532</b>	<b>111,90,711</b>	<b>110,95,396</b>	<b>2437,29,639</b>

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2019.

Particulars	Less than 1 year			Total
	1 to 2 years	2 to 5 years	Total	
Long term borrowings	430,01,800	105,54,704	118,74,223	654,30,727
Short term borrowings	836,42,575	-	-	836,42,575
Trade payable	2324,43,877	-	-	2324,43,877
Other financial liabilities	366,39,410	-	-	366,39,410
<b>Total</b>	<b>3957,27,662</b>	<b>105,54,704</b>	<b>118,74,223</b>	<b>4181,56,589</b>

## iii) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

## Foreign Currency exchange rate risk

The Group operates internationally and major portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risks through operating activities in foreign currency. The group does not engage in hedging and the unhedged foreign currency exposure is as follows :



1.) Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise :

(Amount in ₹)

Particulars	Currency	Amount in foreign currency		Equivalent amount (₹)	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial Assets					
Trade Receivables	EURO	-	1,073	3105,96,544	86,528
	USD	44,76,757	8,09,181		531,49,476
Financial Liabilities					
Trade Payables	EURO	3,93,297	-	274,38,049	-
Advance Received	USD	54,425	1,56,326	37,65,595	101,68,068
Net Asset / (liability)		40,29,035	6,53,928	2793,92,900	430,67,936

## Note 27 - Earnings Per Share

(Amount in ₹)

Sr. No	Particulars	March 31, 2019	March 31, 2018
a)	Net Profit for the year attributable to the equity shareholders	7583,17,824	3109,01,389
b)	Opening number of equity shares outstanding	93,15,149	92,00,830
c)	Closing Number of Equity shares outstanding	93,15,149	93,15,149
d)	Basic/Diluted earning per share (₹ 10/- per share) (P. Y. ₹ 10/- per share)	40.70	33.30

## Note 28: Disclosures under Ind AS 17

(Amount in ₹)

Note	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i)	Details of leasing arrangements Operating Lease Leasehold land	804	804
	The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 1 to 5 years and may be renewed for a further period based on mutual agreement of the parties.		
(ii)	Future Non - Cancellable minimum lease commitments not later than one year	20,31,880	29,31,804
	later than one year and not later than five years	51,03,520	30,98,616
	later than five years	38,592	39,396
	Expenses recognised in the Statement of Profit and Loss	46,49,006	7,90,423



Notes forming part of the Consolidated financial Statements for the year ended March 31, 2019

Note 29 : Employee benefits

(a) Defined Contribution Plan

The Company makes Provident Fund contributions to defined contribution plan administered by the Regional Provident Fund Commissioner. Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. The Company has recognized 74,56,207 for Provident Fund and other fund contributions (March 31, 2018: 34,76,318 ) in the Statement of Profit and Loss. The provident fund and ESIC contributions payable by the Company are in accordance with rules framed by the Government from time to time.

(b) Defined Benefit Plans:

Gratuity

The employee's gratuity fund scheme managed by a trust is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

The estimated rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary. The expected rate on plan assets is determined considering several applicable factor, mainly the composition of plan assets held assessed risk, historical result of return on plan assets and the company's policy for plan assets management.

Defined benefit plans – as per actuarial valuation on 31st March, 2019

(Amount in ₹)

Particulars	Funded Plan Gratuity	
	March 31, 2019	March 31, 2018
<b>Ia. Expense recognised in the Statement of Profit and Loss for the year ended 31st March:</b>		
Service Cost		
Current Service Cost	9,80,454	7,25,025
Past service cost and (gains)/losses from settlements	-	15,62,923
Net interest expense	19,17,786	13,17,409
Components of defined benefit costs recognised in profit or loss	28,98,240	36,05,357
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	-	2,01,152
Actuarial gains and loss arising from changes in financial assumptions	(10,172)	(6,06,438)
Actuarial gains and loss arising from experience adjustments	38,59,546	46,07,782
Actuarial gains and loss arising from demographic adjustments	-	-
Components of defined benefit costs recognised in other comprehensive income	38,49,374	42,02,496
<b>Total</b>	<b>67,47,614</b>	<b>78,07,853</b>
<b>I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March</b>		
1. Present value of defined benefit obligation as at 31st March	(287,61,781)	(24,65,020)
2. Fair value of plan assets as at 31st March	-	-
3. Surplus/(Deficit)	(287,61,781)	(24,65,020)
4. Current portion of the above		
5. Non current portion of the above		
<b>II. Change in the obligation during the year ended 31st March</b>		
1. Present value of defined benefit obligation at the beginning of the year	246,50,200	208,88,046
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	9,80,454	7,25,025
- Past Service Cost	-	15,62,923
- Interest Expense (Income)	19,17,786	15,18,561
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	(10,172)	(6,06,438)
ii. Financial Assumptions	38,59,546	46,07,782
iii. Experience Adjustments	(26,36,033)	(40,45,699)
5. Benefit payments		
6. Others (Specify)		
7. Present value of defined benefit obligation at the end of the year	287,61,781	246,50,200



III. Change in fair value of assets during the year ended 31st March	-	27,66,881	
1. Fair value of plan assets at the beginning of the year	-	-	
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-	
3. Expenses Recognised in Profit and Loss Account	-	-	
- Expected return on plan assets	-	2,01,152	
- Interest Income	-	-	
4. Recognised in Other Comprehensive Income	-	-	
Remeasurement gains / (losses)	-	(2,01,152)	
- Actual Return on plan assets in excess of the expected return	-	-	
- Others (specify)	-	-	
5. Contributions by employer (including benefit payments recoverable)	-	(27,66,881)	
6. Benefit payments	-	-	
7. Fair value of plan assets at the end of the year	-	-	
IV. The Major categories of plan assets			
- List the plan assets by category here			
Insurance Fund	-	-	
V. Actuarial assumptions			
1. Discount rate	7.79%	7.78%	
2. Expected rate of return on plan assets	7.79%	7.78%	
3. Salary Increase Rate	4.00%	4.00%	
4. Rate of Employee Turnover	2.00%	2.0%	
5. Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) N.A.	Indian Assured Lives Mortality (2006-08) N.A.	
6. Mortality Rate After Employment			
VI. Other Details			
1. No of Active Members	197	211	
2. Per Month Salary For Active Members	53,82,647	41,55,054	
3. Weighted Average Duration of the Projected Benefit Obligation	5	5	
4. Average Expected Future Service	15	15	
5. Projected Benefit Obligation (PBO)	287,61,781	246,50,200	
6. Prescribed Contribution For Next Year (12 Months)	53,82,647	41,55,054	
VII. Net Interest Cost			
1. Interest Cost	19,17,786	15,18,561	
2. Interest Income	-	(2,01,152)	
3. Net Interest Cost (1-2)	19,17,786	13,17,409	
<b>Maturity Analysis of Projected Benefit Obligation: From the Fund</b>			
Projected Benefits Payable in Future Years From the Date of Reporting			
1st Following Year	-	91,74,778	67,85,704
2nd Following Year	-	16,92,594	23,80,201
3rd Following Year	-	20,93,052	18,25,501
4th Following Year	-	26,26,116	18,51,669
5th Following Year	-	11,38,551	23,91,589
Sum of Year 6 To 10	-	181,30,628	62,12,283
<b>Maturity Analysis of Projected Benefit Obligation: From the Employer</b>			
Projected Benefits Payable in Future Years From the Date of Reporting			
1st Following Year	-	-	-
2nd Following Year	-	-	-
3rd Following Year	-	-	-
4th Following Year	-	-	-
5th Following Year	-	-	-
Sum of Year 6 To 10	-	-	-
<b>Sensitivity Analysis</b>			
Projected Benefit Obligation on Current Assumptions	287,61,781	246,50,200	208,88,046
Delta Effect of +1% Change in Rate of Discounting	(9,56,019)	(10,72,464)	(8,22,737)
Delta Effect of -1% Change in Rate of Discounting	10,85,466	(12,32,053)	9,26,144
Delta Effect of +1% Change in Rate of Salary Increase	10,37,030	(12,67,130)	9,47,439
Delta Effect of -1% Change in Rate of Salary Increase	(9,31,706)	(11,18,837)	(8,54,858)
Delta Effect of +1% Change in Rate of Employee Turnover	3,91,102	(3,96,119)	2,08,452
Delta Effect of -1% Change in Rate of Employee Turnover	(4,38,793)	(4,45,931)	2,31,336



Sensitivity analysis for each significant actuarial assumption is required to be given, (illustration for medical Inflation given below. Company needs to provide for others)

	0.01% Increase	0.50% Decrease
A. Effect of 0.50% change in the assumed discount rate		
	31-Mar-19	31-Mar-18
Defined Benefit Obligation		
B. Effect of 1 % change in the assumed Salary Escalation Rate		
	31-Mar-19	31-Mar-18
Defined Benefit Obligation		

VIII. Experience Adjustments :	Year Ended	
	2018	2017
	Gratuity	
1. Defined Benefit Obligation	(287,61,781)	(246,88,046)
2. Fair value of plan assets	-	-
3. Surplus/(Deficit)	(287,61,781)	(246,88,046)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	(38,59,546)	46,07,782
5. Experience adjustment on plan assets (Gain)/(Loss)	(10,172)	(6,06,438)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Additional Details	
Methodology Adopted for ALM -	Projected Unit Credit Method
Usefulness and Methodology adopted for Sensitivity Analysis -	Sensitivity analysis is an analysis which will give the movement in liability if the assumption were not proved to be true on different count. This only signifies the change in the liability if the Difference between assumed and the actual is not following the parameters of sensitive analysis.
Stress Testing of Assets -	Not Done
Investment Strategy -	Not Discussed
Comment on Quality of Assets -	Since investment is with insurance company, Assets are considered to be secured.
Management Perspective of Future Contributions -	As per Actuarial Calculation

Notes	
*Gratuity is payable as per company's scheme as detailed in the report.	
*Actuarial gains/losses are recognised in the period of occurrence under Other Comprehensive Income (OCI).	
*All above reported figures of OCI are gross of taxation.	
*Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.	
*Maturity Analysis of Projected Benefit Obligation is done considering future salary, attrition & death in respective year for members as mentioned above.	
*Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.	
*Value of asset provided by the client is considered as fair value of plan asset for the period of reporting as same is not evaluated by us.	

#### Note 30 : Employee Stock Compensation

##### (a) Sadhana ESOP Plan:

On August 1, 2018, the Board of Directors approved the Employee Stock Option Plan (ESOP 2018) for the grant of stock options to the employees of the Company. The nomination and remuneration committee (remuneration committee) administers the ESOP. The option under this grant would vest to the employees as percentage of total grant at the end of the first, second and third year from the date of grant with exercise period ending one year from the end of last vesting.

Particulars	Number of options	Weighted Average Exercise Price
Outstanding at the beginning of the year	-	-
Granted during the year	2,00,000	1,000
forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	2,00,000	1,000
Exercisable at the end of the year	-	-
Weighted average remaining contractual life (in years)	2.3	
Range of exercise prices for outstanding options at the end of the year	1000-2000	



Notes forming part of the Consolidated financial Statements for the year ended March 31, 2019

Note 31 - Contingent liabilities and commitments (to the extent not provided for)

Particulars	(Amount in ₹)	
	March 31, 2019	March 31, 2018
(i) Contingent liabilities :		
(a) Bank Guarantees/ Letter of Credit	0	-
(b) Contingent Liabilities for Income Tax, Service Tax and others:		
- Income Tax #	0	55,180
- Sales Tax #	6,98,439	6,98,439
- Service Tax #	-	-
- Employees Provident Fund and Miscellaneous Provisions Act 1952#	58,76,715	-
- Employees Claim #	15,42,361	15,42,361
(ii) Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	553,86,363	833,39,004
(iii) Other money for which the Company is contingently liable :		
The Company has imported Goods under the Export Promotion Capital Goods Scheme (EPCG), of the Government of India, at the concessional rates of duty with an obligation to fulfill the specified exports. Failure to meet this export obligation within the stipulated timeframe as per Foreign trade policy 2004-09 would result in payment of the aggregate differential duty saved as mentioned below along with interest there on. The company is confident of meeting the obligation.		
Total export obligation due		-
Saving in Custom Duty		-
<b>Total</b>	<b>576,27,163</b>	<b>856,34,984</b>

#The Holding Company is subject to legal proceedings and claims which have arisen in the ordinary course of business from Direct tax laws (TDS), Indirect tax laws and Other Laws. Future cash outflow, if any in respect of these matters are determinable only on receipt of judgements /decisions pending at various stages before the appellate authorities. The Management is of the opinion that the matters would be resolved in favour of the holding Company. The Holding Company Management does not reasonable expect that these legal action when ultimately concluded and determined would have a material and adverse effect on the holding Company's result of operations or financial condition.

**Note 32****A. Value of imports calculated on CIF basis**

Particulars	March 31 2019	March 31 2018
Raw Material and Components	1708,09,611	155,88,267
Capital goods	68,86,608	-
Accessories (Bought out item)	-	-
	<b>1776,96,219</b>	<b>155,88,267</b>

**B. Expenditure in foreign currency**

Particulars	March 31 2019	March 31 2018
Other matters - Foreign travel, Corporate allocations etc.	18,25,077	8,36,013
Services Availed	344,07,847	-
	<b>362,32,924</b>	<b>8,36,013</b>



Notes forming part of the Consolidated financial Statements for the year ended March 31 ,2019

**Note 33**  
Transfer Pricing

The Company has 'international transactions with associated enterprises' which are subject to Transfer Pricing regulations in India. These regulations, inter alia, require the maintenance of prescribed documents and information for the basis of establishing arm's length price including furnishing a report from an Accountant within the due date of filing the return of income. For the fiscal year ended March 31, 2019, the Company has taken necessary steps including conducting a study as required by the regulations and the Accountant's report in this regard is awaited. In the opinion of the management, the transactions are carried out at arm's length and no adjustments is expected to arise thereon.

**Note 34**  
Segment reporting

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of Manufacturing of Chemical intermediates, heavy organic chemicals and performance chemicals and manufacture of wireless network equipments and services. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of both the reportable segments. The reported revenues, profit and assets of one of the segments (manufacture of wireless network equipments and services) being less than 10% of the combined revenue, profit and assets of all the reporting segments, no separate segment disclosure is given as per para 11 and 13 of Ind AS 108.

**Note 35**  
Events after reporting Period

On April 22, 2019, the Board of Directors has proposed an interim dividend of ₹ 1.25 per equity share having face value of ₹ 5/- each.

On May 28, 2019, the Board of Directors have proposed a final dividend of 0.75 per equity share having face value of ₹ 5/- each. The proposed dividend is subject to approval of the shareholders in the annual general meeting.

Pursuant to the Scheme of Amalgamation (the Scheme) sanctioned by the National Company Law Tribunal Mumbai Bench vide its order dated May 09, 2019, Strix wireless systems Pvt Ltd (SWSPL) have been merged with the Company with effect from April 01, 2018 (the Appointed Date). The merger is accounted under absorption method in terms of the scheme sanctioned by the Company law tribunal Mumbai Bench and all assets, liabilities and reserves have been recorded in the books of accounts of the Company at the respective carrying amounts and in the same form. The difference between the share capital of the transferor company and the gross value recorded as investments is adjusted and the difference is adjusted in reserves in accordance with the scheme. Accordingly, the assets and liabilities of Strix wireless systems Pvt Ltd are accounted at the following summarized value.

Particulars	Amount
Property , Plant and Equipment (including capital work in progress)	76,06,275
Intangible assets	-
Taxes	17,19,671
Inventories	55,66,052
Trade receivables	36,23,510
Cash and Bank Balances	6,66,670
Financial assets - Investments , Loans & others (Non Current & Current)	316,38,514
Non Current and Current Liabilities	(1558,50,543)
Other Equity	1089,49,860
Share Capital	39,20,009
Gross Value recorded as investments	(6,523)
To Be Adjusted Against Reserves	39,13,486





Notes forming part of the Consolidated financial Statements for the year ended March 31 ,2019

**Note 36 : Significant estimates and assumptions**

**Estimates and Assumptions**

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

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

**Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amounts sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**Defined Benefit Plans (Gratuity Benefits)**

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Details about gratuity obligations are given in Note 31.

**Fair value measurement of financial instruments**

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

The Group has valued its financial instruments through profit & loss which involves significant judgements and estimates such as cash flows for the period for which the instrument is valid, EBITDA of investee company, fair value of share price of the investee company on meeting certain requirements as per the agreement, etc. The determination of the fair value is based on expected discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.



Notes forming part of the Consolidated financial Statements for the year ended March 31 ,2019

**Note 37 - Related party transactions**

- I) **List of related parties**
- i) Holding Company M/S Sadhana Nitro Chem Ltd  
a - M/S Anuchem B.V.B.A Belgium  
ii) Subsidiary b - M/S Spidigo Net Pvt. Ltd.
- II) **Key Management Personal**
- i) Shri.Asit D.Javeri Executive Chairman  
Smt.Seema A Javeri wife of Shri A.D Javeri  
Mr.Abhishek A Javeri son of Shri A.D Javeri
- ii) Abhishek A Javeri Managing Director & Chief Financial Officer
- iii) Shri Nitin R Jani Company Secretary
- III) Disclosure in respect of material related party transaction during the year.

**Related party transactions during the year**

Sr No	Nature of Transaction	Subsidiaries	Key Management Person
		7050,15,098	-
a)	Sale of Goods	(1055,09,151)	-
b)	Managerial Remuneration	-	1181,08,535
		-	(210,96,047)
c)	Director Sitting Fees	-	-
		-	-
d)	Loan Given	(842,94,647)	-
		-	-
e)	Interest on Loan	-	-
		-	-
f)	Guarantee Commission	-	(144,00,000)
		2098,25,328	-
g)	Outstanding Balance as on 31st March 2019	-	-
		-	-
h)	Outstanding Loan Balance as on 31st March 2019	-	-
		-	-

Note: Previous years figures are given in brackets



## Notes forming part of the Consolidated financial Statements for the year ended March 31, 2019

## Note 38 -Transfer Pricing

The Group has 'international transactions with associated enterprises' which are subject to Transfer Pricing regulations in India. These regulations, inter alia, require the maintenance of prescribed documents and information for the basis of establishing arm's length price including furnishing a report from an accountant within the due date of filing the return of income.

For the fiscal year ended March 31, 2019, the Group has taken necessary steps including conducting a study as required by the regulations and the Accountant's report in this regard is awaited. In the opinion of the management, the transactions are carried out at arm's length and no adjustments is expected to arise thereon.

Note 39- Additional Information as required by Paragraph 2 of the General Instructions for preparation of Consolidated Financial statements to Schedule III to the Companies Act 2013

Sr No	Name of the Entity	Net Assets		Share in Profit or Loss	
		As % of consolidated net assets	Amount	As % of consolidated Profit or Loss	Amount
1	Parent Company Sadhana Nitro Chem Ltd Maharashtra, India	0.996	10476,32,180	0.99	7522,92,437
2	Wholly Owned Subsidiaries				
i)	Anuchem BVBA (Foreign) Antwerpen, Belgium	0.005	52,65,921	0.01	60,96,213
ii)	Spidigo Net Pvt Ltd (W.E.F 11-03-2019) Gujarat, India	(0.001)	(8,80,317)	(0.001)	(8,80,317)
	Total	1	10520,17,784	1.00	7575,08,333

## Subsidiaries

The Group's subsidiaries as at March 31, 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the Group, and proportion of ownership interests held equals the voting rights held by Group. The country of incorporation or registration is also their principal place of business.

Sr No	Name of entity	Country of Incorporation	Ownership	Principal activities
1	Parent Company Sadhana Nitro Chem Ltd	India	-	Manufacturing of Organic Chemicals and wireless network equipment and services
2	Wholly Owned Subsidiaries			
i)	Anuchem B.V.B.A	Belgium	100%	Trading of Chemicals
ii)	Spidigo Net Pvt Ltd.	India	100%	Manufacturing of wireless network equipments

For Chandrashekar Iyer & Co Chartered Accountants Firm Registration Number :114260W	For and on behalf of the Board of Directors
	Asit D Javeri Executive Chairman
	Arvind R Doshi Director
Chandrashekar Iyer Partner Membership Number :47723	Abhishek A Javeri Managing Director & CFO
	Priyam S Jhaveri Director
	Smt. Seema A Javeri Executive Director Administration
	Pradeep N Desai Director
Mumbai , May 28, 2019	Nitin R Jani Company Secretary
	Amit M Mehta Director



Spidigo Net Pvt. Ltd.

Balance Sheet as at March 31, 2019

(Amount in ₹)

Particulars	Note No.	As at March 31, 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, Plant and Equipment	2	2,89,95,639
(b) Capital work-in-progress		-
(c) Financial Assets		
(i) Loans	3A	2,73,920
(d) Deferred Tax Asset (net)	4	-
(e) Other non current assets	5A	75,000
		<b>2,93,44,559</b>
<b>Current assets</b>		
(a) Inventories	6	-
(b) Financial Assets		
(i) Trade receivables	7	28,084
(ii) Cash and cash equivalents	8	10,31,257
(iii) Loans	3B	-
(iv) Other Financial Assets	9	4,66,42,320
(c) Other current assets	5B	97,440
		<b>4,77,99,102</b>
		<b>7,71,43,661</b>
<b>Total</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share capital	10	1,00,000
(b) Other Equity	11	(6,46,02,587)
		<b>(6,45,02,587)</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
(a) Provisions	12A	44,39,570
(b) Financial Liabilities		
(i) Borrowings	13A	21,25,000
		<b>65,64,570</b>
<b>Current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	13B	-
(ii) Trade payables	14	1,04,65,198
(b) Provisions	12B	-
(c) Other current liabilities	15	12,46,16,480
		<b>13,50,81,678</b>
		<b>7,71,43,661</b>
<b>Total Equity and Liabilities</b>		
The accompanying notes are an integral part of the Standalone financial statements. (Refer Notes 1- 24)		
For and on behalf of the Board of Directors		
Mumbai, May, 28th, 2019	Abhishek Javeri Director DIN : 00273030	Asit Javeri Director DIN : 00268114
		Seema Javeri Director DIN : 01768936



Spidigo Net Pvt. Ltd.

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

(Amount in ₹)

	Particulars	Note No.	For the year ended March 31, 2019
(I)	Revenue from operations	16	81,131
(II)	Other Income	17	-
(III)	Total Income (I + II)		81,131
(IV)	EXPENSES		
	(a) Cost of materials consumed	18A	-
	(b) Changes in inventories of finished goods, stock-in-trade and work-in-progress	18B	-
	(c) Employee benefits expense	19	-
	(d) Finance costs	20	-
	(e) Depreciation	2	4,05,296
	(f) Other expenses	21	98,322
	Total Expenses (IV)		5,03,618
(V)	Profit/(loss) before exceptional items and tax (III - IV)		(4,22,487)
(VI)	Exceptional Items		-
(VII)	Profit/(loss) before tax (V - VI)		(4,22,487)
(VIII)	Tax Expense		
	(1) Current tax		-
	(2) Deferred tax	4	4,57,829
	Total tax expense		4,57,829
(IX)	Profit/(loss) for the period (VII - VIII)		(8,80,316)
(X)	Other Comprehensive Income		
	(i) Items that will not be re-classified subsequently to profit or loss		-
	Re-measurement on defined benefit plans		-
	Income Tax effect		-
	(ii) Items that will be re-classified subsequently to profit or loss		-
	Exchange differences in translating financial statements of a foreign operation		-
	Income Tax effect		-
(XI)	Total of Other Comprehensive Income ((i) + (ii))		-
(XII)	Total Comprehensive Income (IX + XI)		(8,80,316)
(XIII)	Earnings per equity share (Rs.)	23	
	(1) Basic		(88.03)
	(2) Diluted		(88.03)
The accompanying notes are an integral part of the Standalone financial statements. (Refer Notes 1- 24)			
For and on behalf of the Board of Directors			
Mumbai, May, 28th, 2019	Abhishek Javeri Director DIN : 00273030	Asit Javeri Director DIN : 00268114	Seema Javeri Director DIN : 01768936



Spidigo Net Pvt. Ltd.

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

(Amount in ₹ )

A. Equity Share Capital			
	Particulars	Opening balance	Changes during the year
(i)	As at 31st March 2019	1,00,000	-
(ii)	As at 31st March 2018	1,00,000	-
B. Other Equity			
	Particulars	Reserves and Surplus (Retained Earnings)	Other comprehensive income
(i)	Balance as at 01 April 2018	(6,37,22,271)	-
(ii)	Addition during the year	-	-
(iii)	Surplus in the Statement of Profit and loss	-	-
	Balance as at 10 March 2019	(6,37,22,271)	-
(i)	Balance as at 11 March 2019	(6,37,22,271)	-
(ii)	Addition during the year	(8,80,316)	-
(iii)	Surplus in the Statement of Profit and loss	-	-
	Balance as at 31 March 2019	(6,46,02,587)	-

For and on behalf of the Board of Directors

	Abhishek Javeri Director DIN : 00273030	Asit Javeri Director DIN : 00268114	Seema Javeri Director DIN : 01768936
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Mumbai, May, 28th, 2019



Spidigo Net Pvt. Ltd.

Cash Flow Statement for the year ended March 31, 2019

(Amount in ₹ )

Particulars	For the year ended March 31, 2019	
<b>A. Cash flow from operating activities</b>		
Profit before tax		(4,22,487)
Adjustments for:		
Depreciation and amortisation expenses	4,05,296	
Loss on Sale of Fixed Assets	-	
Finance costs	-	
		4,05,296
Operating profit / (loss) before working capital changes		(17,191)
Changes in working capital:		
Inventories	-	
Loans and Other Financial Asstes	(75,000)	
Trade Payables	(2,00,479)	
Current Liability	4,29,25,860	
Provisions	-	
Trade receivables	-	
		4,26,50,380
Cash generated from operations		4,26,33,189
a.Direct Taxes (Paid)		-
Net cash flow from / (used in) operating activities (A)		4,26,33,189
<b>B. Cash flow from / (used in) investing activities</b>		
a.Purchase Of Fixed Assets	-	
(Net of Adjustment for capital Work-in-progress	-	
b.Acquisition /Sale of Investment(Net)	-	
		-
Net cash flow from / (used in) investing activities (B)		-
<b>C. Cash flow from / (used in) financing activities</b>		
a.Secured Borrowings -Net of Repayment	-	
b.Unsecured Borrowings -Net of Repayment	(4,26,90,153)	
c.Interest Paid	-	
		(4,26,90,153)
Net cash flow from / (used in) financing activities (C)		(4,26,90,153)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(56,964)
Cash and cash equivalents at the beginning of the year		10,88,221
Cash and cash equivalents at the end of the year		10,31,257

For and on behalf of the Board of Directors

Mumbai, May, 28th, 2019

Abhishek Javeri  
Director  
DIN : 00273030

Asit Javeri  
Director  
DIN : 00268114

Seema Javeri  
Director  
DIN : 01768936

**Spidigo Net Pvt Ltd****Notes to the Financial Statements****Note: 1- Significant Accounting Polices:****A: Basis of Accounting:**

The financial statements are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and they comply with the Accounting Standards prescribed in the Companies [Accounting Standards] Rules, 2006 issued by the Central Government to the extent applicable and with the applicable provisions of the Companies Act, 2013.

**B: Use of Estimates:**

The preparation of Financial Statements in conformity with the Accounting Standards generally accepted in India requires the management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the Financial Statements and reported amounts of revenues and expenses for the reporting period while actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

**C: Fixed Assets and Depreciation:**

i Tangible Assets are stated at historical cost of acquisition / construction less depreciation.

ii All direct cost attributable to respective assets are capitalised to the assets. Preoperative expenses are capitalised to major assets.

iii Depreciation of Fixed Assets has been provided on the written down value method based on useful life of assets specified in part "c" of Schedule-II of the Companies Act, 2013.

iv Depreciation on additions / disposals of the tangible assets during the year is provided on pro-rata basis according to the period during which assets are put to use.

**D: Impairment of Fixed Assets:**

i The carrying amount of assets, other than inventories, is reviewed at each balance sheet date to determine whether there is any such indication of impairment. If any such indication exists, the asset recoverable amount is estimated.

ii The impairment loss is recognised whenever the carrying amount of an asset or its cash generation unit exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use which is determined based on the estimated future cash flow discounted to their present value. All impairment losses are recognised in the Statement of profit and loss.

iii An impairment loss is reversed if there has been a change in the estimates, used to determine the recoverable amount and it is recognised in the Statements of Profit and Loss.

**E: Borrowing Costs:**

i Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of cost of such asset.

ii A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

iii All other borrowing costs are charged to revenue.





**F: Revenue Recognition:**

- i Revenue is recognized when no significant uncertainty as to its determination or realization exists.
- ii Interest income is recognized on time proportionate method.

**G: Foreign Currency Transactions:**

- i The transactions in foreign currencies are stated at the rates of exchange prevailing on the date of transaction.
- ii At the year end, monetary items denominated in foreign currencies , other than those covered by forward contracts , are converted into rupee equivalents at the year end exchange rate.
- iii Exchange difference relating to fixed assets is adjusted in the cost of assets. Any exchange difference are dealt with in the Statements of Profit and Loss.

**H: Taxes on Income:**

- i Tax expenses comprises current tax and deferred tax.
- ii Current tax is measured at the amount expected to be paid in accordance with the provisions of the Income Tax Act, 1961.
- iii Deferred tax reflects the impact of current year timing differences between book and tax profits and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**I: Provision for Bad and Doubtful Debts / Advances:**

Provision is made in accounts for bad and doubtful debts / advances which in the opinion of the management is considered doubtful of recovery.

**J: Provisions, Contingent Liabilities and Contingent Assets:**

Provisions is recognised when the Company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation add in respect of which reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provisions / disclosure is made. Contingent assets are not recognised in the financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

Spidigo Nit Pvr. Ltd.  
Notes forming part of the financial Statements for the year ended March 31, 2019

Note 2: Property, Plant and Equipment

Particulars	Gross Block			Depreciation			Net Block	
	As at 11.03.2019	Additions during the year	Deductions during the year	As at 31.03.2019	As at 11.03.2019	For the year	On deductions	As at 31.03.2019
Plant and Equipment	4,38,85,114	-	-	4,38,85,114	1,55,21,394	3,69,015	-	1,58,90,410
Furnitures & Fixtures	17,88,654	-	-	17,88,654	10,32,389	14,909	-	10,47,298
Office Equipment	3,15,885	-	-	3,15,885	2,28,598	3,921	-	2,32,919
Computer	26,50,414	-	-	26,50,414	24,56,351	17,451	-	24,73,802
<b>Total</b>	<b>4,86,40,067</b>	<b>-</b>	<b>-</b>	<b>4,86,40,067</b>	<b>1,92,99,332</b>	<b>4,05,296</b>	<b>-</b>	<b>1,56,64,828</b>
Balance as on 31st March, 2019								<b>2,89,95,639</b>



Spidigo Net Pvt. Ltd.

Notes forming part of the financial Statements for the year ended March 31, 2019

## Note 3: Loans

(Amount in ₹ )

Sr. No	Particulars	As at March 31, 2019
A	<b>Non Current Loans</b> (Unsecured Considered Good, unless otherwise stated)	
(i)	Security Deposits	2,73,920
	<b>Total</b>	<b>2,73,920</b>
B	<b>Current Loans</b> (Unsecured Considered Good, unless otherwise stated)	
(i)	Loan to related party at amortised cost	-
(ii)	Advances recoverable in cash or in kind or for value to be received	-
	<b>Total</b>	<b>-</b>

## Note 4: Deferred Tax Asset (Net)

Sr. No	Particulars	As at March 31, 2019
	<b>Deferred Tax Asset</b>	
(i)	Employee Benefit obligations	-
(ii)	On Account of Depreciation	-
(iii)	Other disallowable expenses	-
(iv)	Others	-
		-
(v)	<b>Items that will not be re-classified subsequently</b> Re-measurement on defined benefit plans	-
	<b>Net Deferred Tax Liability/(Asset)</b>	<b>-</b>
	<b>Deferred Tax Asset</b>	<b>-</b>

## Note 5: Other Asstes

Sr. No	Particulars	As at March 31, 2019
A	<b>Other Non Current Asstes</b> (Unsecured Considered Good, unless otherwise stated)	
(i)	Balance with Statutory Authorities	
(ii)	Prepaid expenses	75,000
	<b>Total</b>	<b>75,000</b>
B	<b>Other Current Asstes</b> (Unsecured Considered Good, unless otherwise stated)	
(i)	Balance with Statutory Authorities	97,440
	<b>Total</b>	<b>97,440</b>



Spidigo Net Pvt. Ltd.

Notes forming part of the financial Statements for the year ended March 31, 2019

Note 6: Inventories (At lower of cost and net realisable value)

(Amount in ₹ )

Sr. No	Particulars	As at March 31, 2019
(i)	Raw materials	-
(ii)	Work-in-progress	-
	<b>Total</b>	<b>-</b>

Note 7: Trade receivables

Sr. No	Particulars	As at March 31, 2019
	<b>Unsecured</b>	
(i)	Considered good	28,084
(ii)	Considered doubtful	-
		28,084
(iii)	Less : Allowance for doubtful debts	-
	<b>Total</b>	<b>28,084</b>

Footnote :

- 1 Trade receivables are dues in respect of goods sold or services rendered in the normal course of business.
- 2 The normal credit period allowed by the company ranges from 60 to 90 days.

Note 8: Cash and Cash Equivalents

Sr. No	Particulars	As at March 31, 2019
(i)	Cash in hand	399
(ii)	Balance with bank in current account	-
(iii)	Fixed Deposit	10,30,858
	<b>Total</b>	<b>10,31,257</b>

Note 9: Other Financial Assets

Sr. No	Particulars	As at March 31, 2019
	<b>Other Current Financial Assets</b>	
(i)	Advance recoverable in Cash or Kind	4,53,74,855
(ii)	Prepaid Expenses	12,51,424
(iii)	Other	16,041
	<b>Total</b>	<b>4,66,42,320</b>



Spidigo Net Pvt. Ltd.

Notes forming part of the financial Statements for the year ended March 31, 2019

## Note 10: Equity Share Capital

(Amount in ₹ )

Particulars	As at March 31, 2019
<b>Authorised Capital:</b>	
10,000 Equity Shares of Rs 10/- each	1,00,000
(March 31, 2019: 10,000 Equity Shares of Rs 10/- each)	
	1,00,000
<b>Issued Subscribed &amp; Paid up:</b>	
10,000 Equity Shares of Rs.10/- each fully paid	1,00,000
(March 31, 2019: 10,000 Equity Shares of Rs 10/- each)	
<b>Total</b>	<b>1,00,000</b>

## Footnotes :

(i) The company has only one class of equity shares having at par value of Rs.10/- per share.

(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2019	
	Equity Share	
	No. of Shares	Amount
<b>Equity</b>		
No of shares outstanding at the beginning of the year	10,000	1,00,000
Add: Additional shares issued during the year	-	-
Less: Shares forfeited/Bought back during the year	-	-
<b>No of shares outstanding at the end of the year</b>	<b>10,000</b>	<b>1,00,000</b>

(iii) Equity Shares in the entity held by holding company:

Particulars	As at March 31 2019	
	No of Shares	% of Holding
Seema Asit Javeri	-	
Ami Abhishek Javeri	-	
Sadhana Nitro Chem Ltd	10,000	100%



Spidigo Net Pvt. Ltd.

Notes forming part of the financial Statements for the year ended March 31, 2019

Note 11: Other Equity

(Amount in ₹ )

Sr. No	Particulars	As at March 31, 2019
i	<b>Retained Earnings</b>	
	Opening balance	(6,37,22,271)
	Add: Current Years Profits	(8,80,316)
	Closing Balance	(6,46,02,587)
ii	<b>Other Comprehensive Income (OCI)</b>	
	Opening Balance	-
	Add: Movement in OCI (Net) during the year	-
	Closing Balance	-
		(6,46,02,587)

Note 12: Provisions

Sr. No	Particulars	As at March 31, 2019
A	<b>Non Current</b>	
	Employee Benefit Obligations	-
	(i) Compensated absences	44,39,570
(ii)	Gratuity	44,39,570
	<b>Total</b>	44,39,570
B	<b>Current</b>	
	Employee Benefit Obligations	-
	(i) Compensated absences	-
(ii)	Gratuity	-
	<b>Total</b>	-

Note 13: Borrowings

Sr. No	Particulars	As at March 31, 2019
A	<b>Non-Current Term Borrowings</b>	
	(i) Inter Corporate Deposit	21,25,000
	<b>Total</b>	21,25,000
B	<b>Current Term Borrowings</b>	
	(i) Inter Corporate Deposit	-
	(ii) Book overdraft	-
	<b>Total</b>	-

Note 14: Trade Payables

Sr. No	Particulars	As at March 31, 2019
(i)	Micro and Small Enterprises (Refer Note A)	-
(ii)	Others	1,04,65,198
	<b>Total</b>	1,04,65,198

Note A: There is no amount due from any of the Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006".



Spidigo Net Pvt. Ltd.

Notes forming part of the financial Statements for the year ended March 31, 2019

## Note 15: Other Liabilities

(Amount in ₹)

Sr. No	Particulars	As at March 31, 2019
	<b>Other Current Liabilities</b>	
(i)	Statutory Dues	94,56,841
(ii)	Advance From Customer	5,24,19,459
(iii)	Deposit from Customer	1,13,75,067
(iv)	Payable to Employees	14,36,790
(v)	Other Provision	67,18,001
(vi)	Bank temporary overdraft	4,32,10,322
	<b>Total</b>	<b>12,46,16,480</b>

## Note 16: Revenue from Operations

Sr. No	Particulars	For the year ended March 31, 2019
	<b>Sales</b>	
(a)	Internet Service Sale	81,131
(b)	Traded Goods	-
(c)	Less: Excise duty	-
		<b>81,131</b>
	<b>Total</b>	<b>81,131</b>

## Note 17: Other Income

Sr. No	Particulars	For the year ended March 31, 2019
(i)	Duty Draw Back Income	-
(ii)	Other Income	-
(iii)	FD Interest Income	-
(iv)	Discount Received	-
(v)	Freight on Sales	-
(vi)	Foreign Exchange Gain	-
(vii)	Interest on TDS W/back	-
	<b>Total</b>	<b>-</b>

## Note 18A: Cost of materials consumed

Sr. No	Particulars	For the year ended March 31, 2019
(i)	Inventory at the beginning of the year	-
(ii)	Add: Purchases	-
(iii)	Less: Inventory at the end of the year	-
	<b>Cost of materials consumed</b>	<b>-</b>

## Note 18B- Changes in inventories of finished goods, stock-in-trade and work-in-progress

Sr. No	Particulars	For the year ended 31 March, 2019
(i)	Opening Stock	-
	Work In progress	-
	Finished goods	-
	<b>Total (i)</b>	<b>-</b>
(ii)	Closing Stock	-
	Work in progress	-
	Finished goods	-
	<b>Total (ii)</b>	<b>-</b>
	<b>Changes in Inventories Decrease/(Increase)(i-ii)</b>	<b>-</b>
	<b>Total</b>	<b>-</b>



Spidigo Net Pvt. Ltd.

Notes forming part of the financial Statements for the year ended March 31, 2019

Note 19: Employee Benefit Expenses

(Amount in ₹ )

Sr. No	Particulars	For the year ended March 31, 2019
(i)	Salaries and wages, including bonus	-
(ii)	Contribution to Provident and other funds	-
(iii)	Gratuity (Refer Note No. 19(i) and (ii) below)	-
(iv)	Leave Encashment	-
(v)	Staff welfare expenses	-
	<b>Total</b>	-

(ii) During the year sadhana nitro chem ltd ( SNCL) acquired 100 % of paid up equity shares in the capital of the company from the company's erstwhile shareholder accordingly company has become 100 % subsidiary of SNCL as from 11th March 2019. All the employees on the roll of the company have been transferred to SNCL as from this date with continuity of service accordingly as at 31st march 2019.

Note 20: Finance Cost

Sr. No	Particulars	For the year ended March 31, 2019
(i)	Interest expense on term loans and other financial liabilities	-
(ii)	Bank Commission and Other Interest Charges	-
	<b>Total</b>	-





Spidigo Net Pvt. Ltd.

Notes forming part of the financial Statements for the year ended March 31, 2019

## Note 21: Other Expenses

(Amount in ₹ )

Sr. No	Particulars	For the year ended March 31, 2019
(i)	Power and Fuel	-
(ii)	Rent, Rates and Taxes	10,000
(iii)	Repair and Maintenance Expenses	1,500
(iv)	Travelling and Conveyance Expenses	-
(v)	Deployment Expense	21,197
(vi)	Fiber Expense	-
(vii)	Computer Repairing Exp	-
(viii)	Fiber Rent	-
(ix)	Freight Charges	-
(x)	Stores & Spares (Consumable Exps)	-
(xi)	Software Support Charges	-
(xii)	Membership Fees - Foreign Currency	3,698
(xiii)	Commission Exp.	-
(xiv)	Recruitment Charges	-
(xv)	Telephone and Mobile Expenses	8,450
(xvi)	Loading-Unloading Charges	-
(xvii)	Office and Other Expenses	6,477
(xviii)	Loss on Sale of Fixed Assets	-
(xix)	Registration Fees and Exp.	-
(xx)	Internet and Domain Charges	-
(xxi)	Printing and Stationery Charges	-
(xxii)	Legal and Professional Charges	47,000
(xxiii)	Books & Periodicals	-
(xxiv)	Interest on TDS	-
(xxv)	House Keeping Charges	-
(xxvi)	Postage and Courier Exp	-
(xxvii)	Insurance Charges	-
(xxviii)	Late Fee, Fine, Penalty, Etc.	-
(xxix)	Security Services	-
(xxx)	Sales & Marketing Exp.	-
(xxx1)	Audit Fees	-
		98,322

**d. Liquidity Risk:**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**e. Market Risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity prices, will affect the Company's income or the value of its financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables, long term debt and commodity prices. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and commodity price risk.

**Interest rate risk:**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through the Statement of profit and loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

**Capital Management**

For the purpose of the Company's capital management, capital includes issued capital, convertible instruments and reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments, if any, required in the light of the current economic environment and other business requirements.

Spidigo Net Pvt. Ltd.

Notes forming part of the financial statements, for the year ended 31st March, 2019

**Note 22A: Name of the Related Parties and Nature of the Related Party Relationship :**

	Name of Related Parties	Relationship
a	Sadhana Nitro Chem Ltd.	Holding Company
b	Strix Wireless System Pvt. Ltd.	Group Company
c	Chandra Net Pvt. Ltd.	Group Company
d	Abhishek A. Javeri	Director

**Note 23: Calculation of Earnings per Equity Share [EPS] :**

(Amount in ₹ )

	Particulars	As at March 31, 2018
a	Profit after tax attributable to Shareholders	(8,80,316)
b	Weighted average number of Equity Shares	10,000
c	Nominal value of equity share	10
d	Basic EPS	(88.03)

**Note : 24 - General Notes :**

a	Balance of depositors, debtors and creditors and other parties subject to confirmation
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For and on behalf of the Board of Directors

Mumbai, May, 28th, 2019

Abhishek Javeri  
Director  
DIN : 00273030

Asit Javeri  
Director  
DIN : 00268114

Seema Javeri  
Director  
DIN : 01768936



*Annual Report of the Subsidiary Company*

**ANUCHEM B.V.B.A**  
**BELGIUM**

BOARD OF DIRECTORS

Mr. Asit D. Javeri  
Mr. Nitin R. Jani  
Mr. Ronny Verchaeren

AUDITORS

Mr. Luc Verreyken  
Accountantskantoor,  
Agiver BVBA  
Bisschoppenhoflaan 588,  
B-2100 Deume.



## DIRECTOR'S REPORT

The Directors of Anuchem BVBA are pleased to submit herewith the annual report and Audited statement of accounts for the year ended 31st December 2018

### Review of business:

The principal activities of the company continued to be marketing of Chemicals. The Turnover during the year was EUR 6.317.127,46 (2017 - EUR 1.029.814,09). The Profit after Tax at EUR 78.228,14 (2017 Loss for the year as at - EUR 22.487,85)

The directors opined that, barring unforeseen circumstances the performance of company is expected to improve in the current financial year.

### DIVIDEND :

The directors have decided that there will be a dividend of 30% for the year 2018.

### AUDITORS :

The auditors, Mr Luc Verreyken of Agiver BVBA, accountantskantoor have expressed their willingness to continue as Auditors and the Directors will place a resolution before the general meeting for their re-appointment.

On behalf of board

A. D. Javeri  
Director

Antwerpen, 09th April 2019



AUDITORS REPORT

AGIVER BVBA ACCOUNTANTSKANTOOR  
BISSCHOPPENHOFLAAN 588  
2100 DEURNE  
REG. N° 4755 2N 53

To the shareholders of AnuChem BVBA :

I have audited the balance sheet of AnuChem BVBA as at 31<sup>st</sup> December 2018 and the related Profit and loss account which have been prepared on the basis of accounting policies stipulated under Chapter II of the royal decree of 8<sup>th</sup> October 1976.

The said accounting policies have not been altered in relation to the previous financial year. The profit and loss account is not being majorly influenced by yields and costs that have to be ascribed to the previous financial year.

I have conducted my audit in accordance with the auditing standards issued by IAB Accountants organisation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the companies circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also considered the overall adequacy of the presentation of information in the financial statement.

In my opinion the financial statement give a true and fair view of the state of affairs of the company at 31<sup>st</sup> December, 2018 and of the profit or Loss for the year then ended and have been properly prepared in accordance with the requirement of the Belgium Company law.

For Agiver Bvba  
Luc Verreyken  
Reg. No. 4755 2N 53

Antwerpen, 09th April 2019



**ANNUAL STATEMENT OF ACCOUNTS OF ANUGHEM BVBA  
BALANCE SHEET AFTER DISTRIBUTION OF PROFIT**

As at 31-dec-2018

	2018 (currency: Euro)	2017 (currency: Euro)
<b>LIABILITIES</b>		
1) Shareholder's Funds		
a) Share Capital - Issued Capital	18.750,00	18.750,00
b) Reserves		
i) Legal reserve	1.875,00	1.875,00
ii) Profit and loss Account	<u>52505,12</u>	<u>-20.098,02</u>
	54380,12	-18.223,02
2) Current Liabilities		
a) Trade Payables	0,00	53.043,61
b) advance from client	1.048.198,14	-
c) Services	17.641,88	1.517,31
d) Dividend Payable	5.625,00	1.875,00
e) Tax payable (net of paid)	<u>328,72</u>	
	1.071.789,74	56.435,92
<b>TOTAL OF LIABILITIES</b>	<u><u>1.144.919,86</u></u>	<u><u>56.962,90</u></u>
<b>ASSETS</b>		
1) Non-current assets		
a) Fixed Assets		
Fixed Assets (gross)	1.830,97	1.830,97
Less : depreciation	<u>(1830,97)</u>	<u>(1830,97)</u>
	0,00	0,00
2) Current Assets		
a) Inventories	250.997,34	231,63
b) Receivables		
i) Trade receivables	317.383,82	50.695,89
ii) advance to supplier	560.475,08	-
iii) Val receivables	<u>2015,13</u>	<u>887,63</u>
	878.874,03	51.583,52
3) Liquid resources	8.048,49	5.167,75
<b>TOTAL OF ASSETS</b>	<u><u>1.144.919,86</u></u>	<u><u>58.962,90</u></u>

AGIVER BVBA  
Accountantskantoor  
Reg. No. 4755 2N 53  
Antwerpen, 09th April 2019

On behalf of board

A. D. Javeri  
Director



**ANNUAL STATEMENT OF ACCOUNTS OF ANUCHEM BVBA  
PROFIT AND LOSS ACCOUNT**

As at 31-Dec-2018

	2018 (currency: Euro)	2017 (currency: Euro)
<b>INCOME :</b>		
Turnover	6.917.127,46	1.029.814,09
Interest received	478,02	0,00
Increase/decrease in closing stock	258785,71	(527575,53)
Income/(loss) on exchange fluctuation	<u>(67442,05)</u>	<u>17275,08</u>
	6.508.929,16	719.513,54
<b>EXPENSES :</b>		
Purchases	6.278.916,88	689.397,24
Clearing on forwarding charges	126.348,99	64.766,30
Travelling and administrative expenses	10.947,50	7.282,05
Local Taxes	443,50	441,50
Financial expenses	15.574,03	10.164,30
Depreciation/amount written off trade debtors	<u>0,00</u>	<u>0,00</u>
	6.430.230,90	742.601,39
<b>PROFIT(LOSS) BEFORE TAXATION :</b>	78698,26	(22487,85)
Less : Provision tax for the year	<u>470,12</u>	<u>0,00</u>
<b>PROFIT(LOSS) AFTER TAX</b>	78228,14	(22487,85)
Add Carried over profit(loss) of last year	(20093,02)	2380,83
Less 1) Provision for dividend	(5625,00)	0,00
<b>profit(loss) to be carried over</b>	52505,12	(20093,02)

AGIVER BVBA  
Accountantskantoor  
Reg. No. 4755 2N 53  
Antwerpen, 09th April 2019

On behalf of board

A. D. Javeri  
Director



**NOTES ON ANNUAL STATEMENT OF ACCOUNT OF ANUCHEM BVBA FOR 2018**

**1) ACCOUNTING POLICIES:**

The Principal accounting policies adopted by the company are as follows:

**a) BASIS OF ACCOUNTING:**

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standard.

**b) STOCKS:**

Stocks are valued at lower of cost or net realizable value.

**c) CURRENCIES:**

This accounts have been prepared in Euro (€)

**d) FOREIGN CURRENCIES:**

Revenue transactions in foreign currencies are translated in Euro at the exchange rate prevailing on the date of transaction.

At the end of the financial year the Assets and liabilities expressed in foreign currencies are translated in to Euro at the rate of exchange ruling at the end of financial year.

**e) DEPRECIATION**

Depreciation on Fixed assets is at the rate of 20% per annum on straight line basis.

**f) TAXATION:**

Tax payable is provided on taxable profit at the current tax rate.

**2) SHARE CAPITAL**

Authorised, allotted and fully paid-up: 750 shares of € 25,00 Euro each.

**3) RECEIVABLES (due within one year)**

	More than 6 Months		Others	
	2018	2017	2018	2017
a) Trade receivable	0,00	1.557,02	347.383,82	49.338,87
b) Advance to supplier	0,00	0,00	550.475,08	0,00
c) Val receivable	-	-	2.015,13	867,63
	<u>0,00</u>	<u>-</u>	<u>899.874,03</u>	<u>50.206,50</u>

**4) SUPPLIERS (due within one year)**

	More than 6 Months		Others	
	2018	2017	2018	2017
a) For Purchases	-	-	0,00	53.043,81
b) Advance from client	-	-	1.048.195,14	-
b) For services	-	-	17.841,63	1.259,75
	<u>-</u>	<u>-</u>	<u>1.066.036,77</u>	<u>54.303,56</u>

AGIVER BVBA  
Accountantskantoor  
Reg. No. 4755 2N 53  
Antwerpen, 09th April 2019

On behalf of board

A. D. Javeri  
Director





**NOTES ON ANNUAL STATEMENT OF ACCOUNT OF ANUCHEM BVBA FOR 2018**

<u>TRAVELLING AND AMINISTRATIVE EXPENSES</u>	<u>2018</u>	<u>2017</u>
Fees & professional charges	9.592,70	6.327,56
Register and publication costs	70,20	187,49
Other business expenses	1.294,60	767,00
	<u>10.947,50</u>	<u>7.282,05</u>

**CLEARING AND FORWARDING CHARGES**

Freight sales	96.259,77	46.690,16
Freight purchase/storage	18.079,22	6.076,14
Fee for bookkeeping	12.000,00	12.000,00
	<u>126.348,99</u>	<u>64.766,30</u>

**LOCAL TAXES**

Local taxes	443,50	441,50
	<u>443,50</u>	<u>441,50</u>

**FINANCIAL EXPENSES**

Interests	51,05	73,56
Bankcharges	3.694,81	4.239,16
Factoring fee + subscription	11.752,27	4.046,29
Interests on Factoring	75,88	1.755,29
Difference in payments	0,02	0,00
	<u>15.574,03</u>	<u>10.114,30</u>

**LIQUID RESOURCES**

Belfius (Usd)	1.366,16	4.222,57
Belfius (Euro) + Deposit factoring	4.680,33	845,48
State bank of india (Usd)	0,00	0,00
State bank of india (Euro)	0,00	0,00
	<u>6.046,49</u>	<u>5.167,75</u>
Cash Balance	0,00	0,00
	<u>6.046,49</u>	<u>5.167,75</u>

AGIVER BVBA  
Accountantskantoor  
Reg. No. 4755 2N 53  
Antwerpen, 09th April 2019

On behalf of board

A. D. Javeri  
Director



## SADHANA NITRO CHEM LIMITED

CIN: L24110MH1973PLC016698

Hira Baug, 1st Floor, Kasturba Chowk (C.P. Tank), Mumbai - 400 004

Tel. 022-23865629 Fax 022-23887235 E-Mail: sadhananitro@sncl.com, Website: www.sncl.com

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) Rules, 2014]

Name of the member(s):
Registered address:
No. of Shares held:
Folio No / DP Id & Client Id:
Joint Holder (s):
E-mail Id:

I/We, being the member (s) of \_\_\_\_\_ shares of Sadhana Nitro Chem Limited, hereby appoint:

1. Name: ..... Address: .....  
E-mail ID: ..... Signature: .....or failing him / her
2. Name: ..... Address: .....  
E-mail ID: ..... Signature: .....or failing him / her
3. Name: ..... Address: .....  
E-mail ID: ..... Signature: .....or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Forty Sixth Annual General Meeting (AGM) of the Company to be held on 25th September, 2019 at 3:00 P.M at Sheth Hirachand Gumanji Trust Hall, Hira Baug, 1st Floor, Kasturba Chowk (C.P. Tank), Mumbai - 400 004.

Resolution No.	Optional *	
	For	Against
<b>Ordinary Business:</b>		
1. To receive consider and adopt the Audited Financial Statement (Including the Standalone and Consolidated Statements) of the Company for the Financial Year ended 31st March, 2019 together with the Reports of the Directors' and Auditors' thereon.		
2. To confirm interim Equity dividend declared for Financial Year 2018-19 and to approve Final Equity Dividend for the Financial Year 2018-19.		
3. To appoint a Director in place of Mr. Asit D. Javeri (DIN: 00268114) who retires by rotation and is eligible for re-appointment.		
4. To appoint Auditors and to fix their remuneration.		
<b>Special Business:</b>		
1. To ratify remuneration of the Cost Auditors for the financial year ending 31st March, 2019.		

Signed this \_\_\_\_\_ Day of \_\_\_\_\_ 2019

\_\_\_\_\_  
Signature of Shareholder\_\_\_\_\_  
Signature of Proxy holder(s)

Please affix  
Revenue Stamp  
of Rs. 1/-



**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 AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2.A person can act as a proxy on behalf of member's up to and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

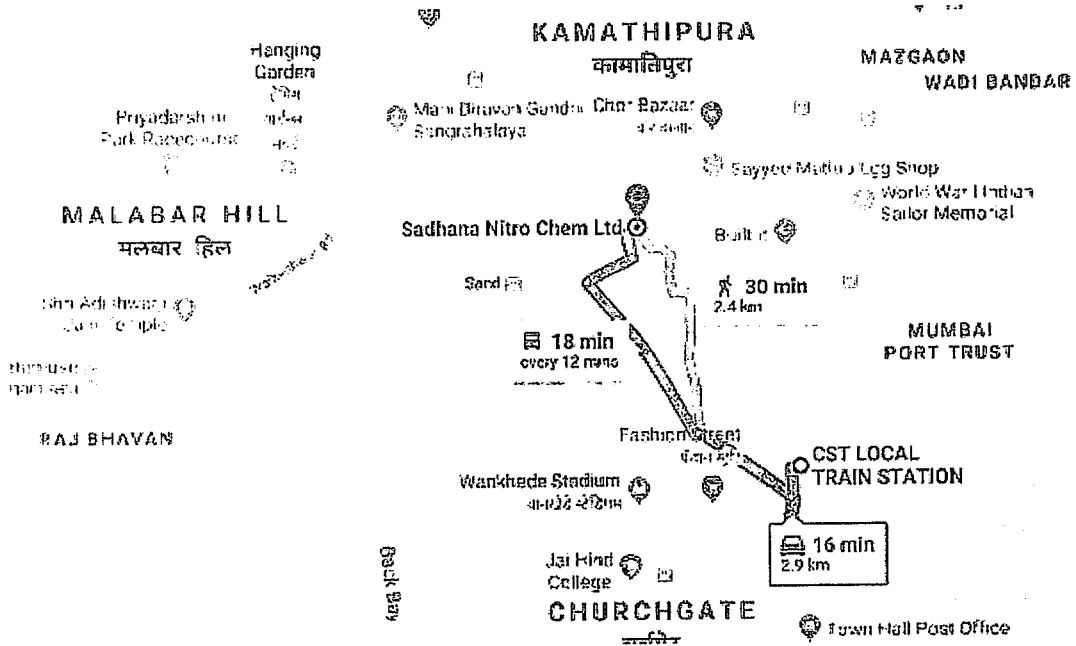
3.In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorization should be attached to the proxy form shall not act as proxy for any other person or Member.

4.Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.

5.In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



Route Map of the Company





SADHANA NITRO CHEM LIMITED

CIN: L24110MH1973PLC016698

Hira Baug, 1st Floor, Kasturba Chowk (C.P. Tank), Mumbai - 400 004

Tel. 022-23865629 Fax 022-23887235 E-Mail: sadhananitro@sncl.com, Website: www.sncl.com

ATTENDANCE SLIP

FORTY SIXTH ANNUAL GENERAL MEETING ON WEDNESDAY, 25TH SEPTMEBER, 2019  
AT 3:00 P.M

Please fill this attendance slip and hand it over at the entrance of the venue of the meeting:

Regd. Folio / DP ID & Client ID	
Name and address of the Member(s)	
Joint Holder 1	
Joint Holder 2	

I hereby record my presence at the Forty Sixth Annual General Meeting (AGM) of the Company on Wednesday, 25th September, 2019 at 3:00 P.M at Sheth Hirachand Gumanji Trust Hall, Hira Baug, 1st Floor, Kasturba Chowk (C.P. Tank), Mumbai - 400 004

Signature of the Attending Member: \_\_\_\_\_

Signature of Proxy: \_\_\_\_\_

NOTES:

(1) Shareholder / Proxy desiring to attend the meeting must bring duly filled in and signed Attendance Slip to the meeting and hand over at the entrance.

(2) Shareholder / Proxy desiring to attend the meeting should bring his / her copy of the Notice along with Annual Report for reference at the meeting

Note: Please fill in this attendance slip and hand it over at entrance of the Meeting Hall.



if undelivered please return to :  
**Sadhana Nitro Chem Limited**  
Hira Baug, 1st Floor,  
Kasturba Chowk, (C P Tank),  
Mumbai - 400 004, INDIA