



**Bharat
RASAYAN LIMITED**

UNIT-I

UNIT-II

Regd. Off. : 1501, Vikram Tower, Rajendra Place, New Delhi - 110008
Ph. : +91-11-43661111 (30 lines) • Fax : +91-11-43661100, 41538600
E-mail : info@bharatgroup.co.in • Website : www.bharatgroup.co.in
CIN : L24119DL1989PLC036264

NEAPS - e-Uploading

BRL:e-Voting/2020/1
September 24, 2020.

To

**National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051.**

Sub: Proceedings of 31st Annual General Meeting - BHARATRAS

Dear Sir/Madam,

In respect of the 31st Annual General Meeting of the Shareholders of the Company held today i.e. on Thursday, the 24th September, 2020 at Hotel Regent Grand, 2/6, East Patel Nagar, New Delhi-110008, please find enclosed the following:

- (1) Summary of proceedings as required under Regulation 30, Part-A of Schedule-III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as **Annexure-I**.
- (2) Annual Report for the financial year 2019-20 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

This is for your information and records.

Thanking You,

Yours Sincerely,

For BHARAT RASAYAN LIMITED


(NIKITA CHADHA)
Company Secretary-cum-
Compliance Officer



Enclosed: As above

EMAIL

C.C. To,

**The Secretary
BOMBAY STOCK EXCHANGE LIMITED
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 023.**



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CIN : L24119DL1989PLC036264 **ANNEXURE-I**

PROCEEDINGS OF THE 31ST ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY HELD ON THURSDAY, 24TH SEPTEMBER, 2020 AT HOTEL REGENT GRAND, 2/6, EAST PATEL NAGAR, NEW DELHI-110008.

As per the Notice dated 13th August, 2020, the 31st Annual General Meeting (AGM) of the Company was held on Thursday, 24th September, 2020 at Hotel Regent Grand, 2/6, East Patel Nagar, New Delhi-110008.

Shri Sat Narain Gupta, Chairman & Managing Director of the Company presided over the proceedings and welcomed the Members to the 31st AGM of the Company and introduced the persons sitting at the Dias.

The Chairman explained that Shri Ajay Gupta, Shri Kamleshwar Prasad Uniyal, Shri Ram Kanwar and Smt Sujata Agarwal, Directors of the Company, were pre-occupied with other commitments and therefore could not attend the AGM.

The quorum being present, the Chairman declared the meeting open.

Thereafter the Notice of Annual General Meeting, Board's Report and Statutory Auditor's Report were taken as read by the Shareholders of the Company.

The Chairman then addressed the Members and gave an overview of the financial performance of the Company for the financial year ended 31st March, 2020 and its future outlook.

The Company Secretary informed the Shareholders that the Company had provided Remote e-Voting facility to all the Shareholders entitled to cast their vote (i.e. persons who were Shareholders on 17th September, 2020, being the cut-off date) on all the Resolutions as set out in the Notice of AGM during the period from 21st September, 2020 to 23rd September, 2020 as per the provisions of Companies Act, 2013 read with Rules framed thereunder. She further informed that M/s. Mamta Jain & Associates, Practicing Company Secretaries, was appointed as the Scrutinizer for conducting the remote e-Voting process in a fair and transparent manner.

Further, in terms of the Companies Act, 2013 and the Listing Regulations, Shareholders attending the AGM who had not already cast their vote by Remote e-Voting were also provided the option to exercise their right to vote at the venue of the AGM by physical polling, on all the 7 Resolutions of Ordinary and Special Businesses as set out in the Notice of AGM. M/s. Mamta Jain & Associates, Practicing Company Secretaries, was also being appointed as the Scrutinizer for independently carrying out the poll at the venue of the AGM.

The Members were informed that the Results would be declared after considering the Remote e-voting and Voting by Ballot by Members present in the AGM. They also informed that the Results would be submitted to the Stock Exchange within two days from the date of Annual General Meeting and would be placed on the website of the Company.

The objective and implications of the Resolutions before putting them to vote at the Meeting were being explained.



Mamta Jain

Contd...2/-



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CIN : L24119DL1989PLC036264

- : 2 : -

A) ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2020, the reports of the Board of Directors and Auditors thereon.
2. Declaration of final dividend (₹1.50 per equity share of ₹10/- each) for the year ended on 31st March, 2020.
3. Appointment of Director in place of Shri Rajender Prasad Gupta (DIN:00048888), who retires by rotation and being eligible, seeks re-appointment.
4. Appointment of Director in place of Shri Ajay Gupta (DIN:02187741), who retires by rotation and being eligible, seeks re-appointment.
5. Ratification of Appointment of Auditors [M/s. R.D.Garg & Co., Chartered Accountants (Firm Registration No. 001776N)], as Statutory Auditors of the Company.

B) SPECIAL BUSINESS

6. Revision in the Remuneration of Shri Ajay Gupta (DIN:02187741), Whole Time Director/ Executive Director of the Company.
7. Ratification of remuneration payable to M/s. M.K.Singhal & Co., Cost Accountants, appointed as Cost Auditors of the Company for financial year 2020-21

Before ordering the Poll, the Shareholders were being invited for their queries and observations.

Thereafter the Poll was ordered requesting all the Members present to cast their votes using the ballot papers handed over to them in this regard by putting a Tick Mark (✓) in the Column of 'Assent' or 'Dissent', as the case may be, sign the Ballot Paper and drop it in the Ballot Box as kept in the Hall.

M/s. Mamta Jain & Associates, Practicing Company Secretaries, who was appointed as the Scrutinizer was being requested for an orderly conduct of voting. The Scrutinizer demonstrated the empty Ballot Box to the Shareholders and locked and sealed it in the presence of the Shareholders of the Company.

The Chairman thanked the Shareholders and others for attending the Meeting.

The Company Secretary proposed a Vote of Thanks to the Chair and the Meeting ended with no other business being left to be transacted.

This is for your information and records.

Thanking You,

Yours Sincerely,

For BHARAT RASAYAN LIMITED

Nikita Chadha



(NIKITA CHADHA)

**Company Secretary-cum-
Compliance Officer**

31st ANNUAL REPORT 2019-2020



Bharat RASAYAN LIMITED

(ISO 9001 : 2015, 14001 : 2015 & OHSAS 45001 : 2018 CERTIFIED COMPANY)



BOARD OF DIRECTORS

Promoter Directors

| | |
|-----------------------------------|------------------------------|
| Shri Sat Narain Gupta | Chairman & Managing Director |
| Shri Mahabir Prasad Gupta | Whole Time Director |
| Shri Rajender Prasad Gupta | Whole Time Director |

Other Directors

| | |
|--------------------------------------|--|
| Shri Ajay Gupta | Director (Executive) |
| Shri Kamleshwar Prasad Uniyal | Director (Executive) |
| Shri Pankaj Gupta | Director (Independent & Non-Executive) |
| Shri Ram Kanwar | Director (Independent & Non-Executive) |
| Smt. Sujata Agarwal | Director (Independent & Non-Executive) |
| Shri Suresh Kumar Garg | Director (Independent & Non-Executive) |
| Shri Rajesh Gupta | Director (Independent & Non-Executive) |

SENIOR MANAGEMENT

| | |
|--------------------------|-------------------------|
| Mr. Rakesh Verma | Chief Financial Officer |
| Ms. Nikita Chadha | Company Secretary |

STATUTORY AUDITORS

M/S. R. D. GARG & CO.
Chartered Accountants
20, Ansari Road, Darya Ganj, New Delhi - 110 002.

COST AUDITORS

M/S. M. K. SINGHAL & CO.
Cost Accountants
C-91, Sector-71, Noida-201301 (U.P.)

BANKERS

- STATE BANK OF INDIA **- YES BANK LIMITED**
- HDFC BANK LIMITED **- ICICI BANK LIMITED**

REGISTERED OFFICE

Address : 1501, Vikram Tower, Rajendra Place,
New Delhi - 110 008.
CIN : L24119DL1989PLC036264
Email-Id : investors.brl@bharatgroup.co.in
Website : www.bharatgroup.co.in

FACTORIES

Unit-I : 2 KM Stone, Madina-Mokhra Road, Village Mokhra,
Distt. Rohtak - 124 022 (Haryana).
Unit-II : 42/4, Amod Road, GIDC, Industrial Estate, Dahej,
Distt. Bharuch - 392 130 (Gujarat).

REGISTRAR & TRANSFER AGENT

M/S. LINK INTIME INDIA PVT. LIMITED
Noble Heights, 1st Floor, Plot NH 2,
C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi - 110058.
Tel. Nos. : 91-11-41410592-94, Fax No : 91-11-41410591
E-mail ID : delhi@linkintime.co.in



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FROM THE DESK OF CHAIRMAN

Dear Shareholders,

It gives me pleasure to present to you the Bharat Rasayan Limited Annual Report 2019-20. While this was a year of extreme economic challenges for the world, a situation aggravated almost beyond measure by the unprecedented Covid-19 pandemic, your Company continued to play on its strengths and posted a stable financial performance. It's a pleasure to share with you the highlights of the progress being made by the Company since we met approximately twelve months back.

Business Performance

I am pleased to share with you an update on your Company's performance for the financial year 2019-20. The year saw a challenging business environment with lower GDP growth and slowdown in consumption. The novel coronavirus has affected not just human health but severely impacted businesses and the society at large. The macro-economic factors that caused a slowdown in FY 2019-20 will continue in FY 2020-21, with the first half of Calendar Year (CY) 2020 completely dominated by the pandemic and the consequent lockdowns. During the last few weeks in March we started to see the impact of COVID-19. The Covid-19 outbreak from China was declared a pandemic by World Health Organisation in the last quarter of the financial year, causing a social and economic turbulence.

Amidst a challenging scenario, our strong portfolio, distribution network and brand equity enabled us to deliver a steady performance. It gives me great pleasure to share with you an update on the overall performance of your Company which performed well and delivered another year of profit. I am glad to inform you that your Company continues to perform well on a sustained basis. Your Company achieved a turnover of ₹ 1231.87 crores registering an increase of about 23.84% over previous year turnover of ₹ 994.69 crores and earned a Profit before Tax (PBT) of ₹ 205.19 crores and Profit after Tax (PAT) of ₹ 157.64 crores.

The Company i.e. Bharat Rasayan Limited (BRL) has executed a Joint Venture ("JV") Agreement on 18.02.2020, with Nissan Chemical Corporation (NCC), a company incorporated in Japan, and with Nissan Bharat Rasayan Pvt. Limited, a company incorporated in India ("JV" Company). The joint venture will operate through a company named 'Nissan Bharat Rasayan Private Limited', a company incorporated in India in which BRL has 30% share and NCC has 70% share. The Joint Venture Company i.e. Nissan Bharat Rasayan Private Limited has decided to construct new manufacturing factory in India for various technical products. Nissan Chemical Corporation is a research based Company and is one of the largest manufacturers of agrochemicals in Japan having global operations. Nissan Chemical Corporation has developed good relationship of mutual trust with Bharat Rasayan Limited and thus Nissan Chemical Corporation wants to enter into joint venture with Bharat Rasayan Limited.

We are making the right investments to scale this business higher. We have already made investments towards expanding our manufacturing capacities, setting up new capacities for critical inputs as part of backward integration, acquiring more product registrations and thrust on R&D for developing relevant products for key markets.

Agro Economy Overview

India has come a long way in achieving self-sufficiency in food and is emerging as an important player in global trade of agricultural commodities. This is in spite of our relatively low productivity, compared to the global benchmark. One of the major reasons for this low productivity is the gap in adopting appropriate agriculture technologies, compared to leading agricultural economies. Seeds and Crop Protection are important elements driving agricultural productivity.

During the year, delayed and unseasonal rainfall led to a flood-like situation across the country, adversely impacting the Kharif season but favourably impacting the Rabi season with good groundwater levels.



The latest advance estimates for FY 2019-20 for total foodgrain production in India is estimated at record 295 million tonnes, higher by 10 million tonnes over the previous year.

Indian agriculture is on a growth path, with an increase in investments and private funding in the past few years. The sector is expected to grow with better momentum in the next few years, owing to an increase in investment in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Factors such as reduced transaction costs, time, better port gate management and fiscal incentives will also contribute to this upward trend. Furthermore, the increased use of genetically modified crops is also expected to better the yield of the Indian farmers.

Dividend

Considering the consistent profits being made by the Company, your Directors have recommended a dividend of ₹1.50 (i.e. 15%) per equity share for the financial year 2019-20.

Health, Safety and Environment

Your Company continues to conduct business with a strong commitment for environment preservation, sustainable development, safe workplaces and enrichment of the quality of life of its stakeholders and the community at large by maintaining the required ISO standards Certification.

Acknowledgement

The Covid-19 pandemic may have an extended impact, but as I mentioned earlier, this means opportunities as well as challenges. The Board, through its engagement with the management, will guide the Company in recalibrating its growth strategy to address these challenges and to make use of the new opportunities. On behalf of the Board, we seek support from each and every stakeholder to bring prosperity to one and all.

Before I conclude, I would like to place on record my appreciation to all my colleagues on the Board, past and present, for their valuable contribution in the growth of the Company. Finally, I would like to thank you, our valued shareholders, for your unwavering support in our journey to deliver value to all our stakeholders.

Thank you, ladies and gentlemen.

SAT NARAIN GUPTA

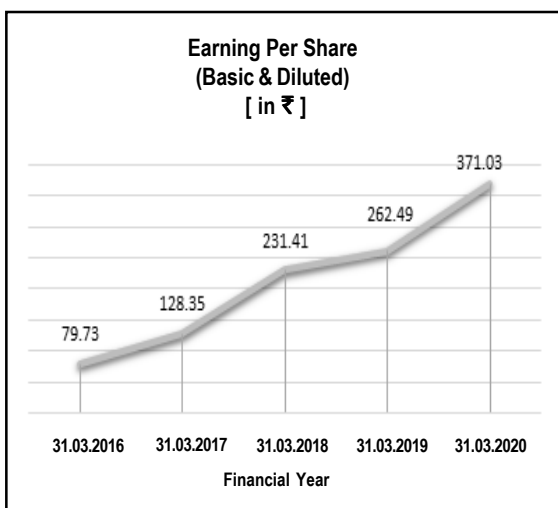
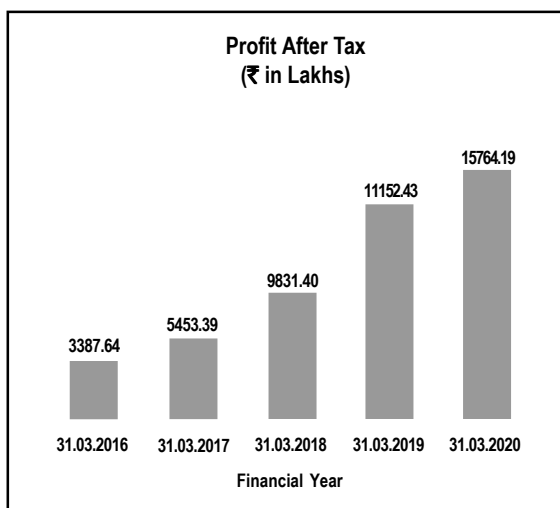
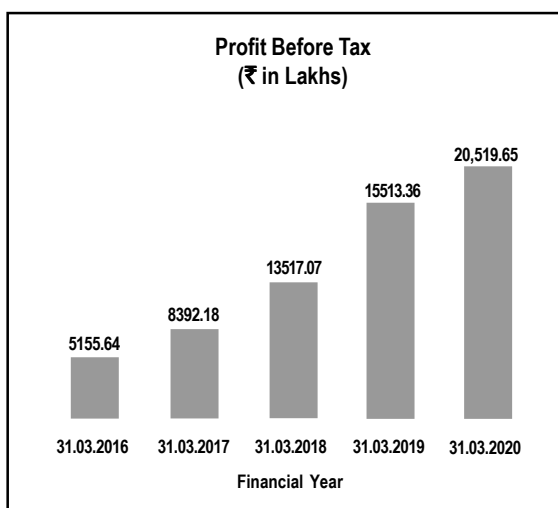
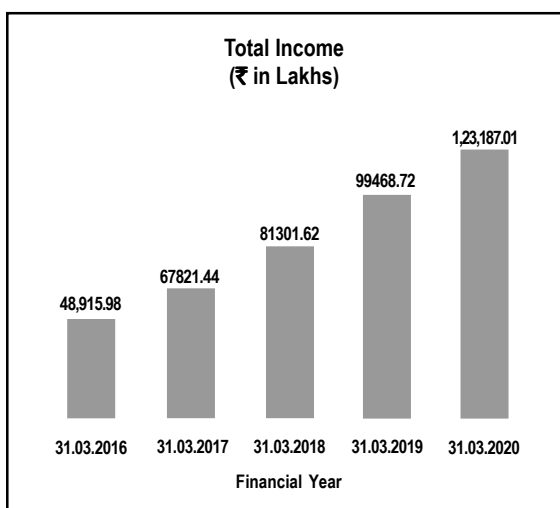
Chairman & Managing Director



FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

| Particulars | Financial Year ended | | | | |
|--|----------------------|------------|------------|------------|-------------|
| | 31.03.2016 | 31.03.2017 | 31.03.2018 | 31.03.2019 | 31.03.2020 |
| Total Income | 48,915.98 | 67,821.44 | 81,301.62 | 99,468.72 | 1,23,187.01 |
| Profit Before Tax | 5,155.64 | 8,392.18 | 13,517.07 | 15,513.36 | 20,519.65 |
| Profit After Tax | 3,387.64 | 5,453.39 | 9,831.40 | 11,152.43 | 15,764.19 |
| EPS (Basic & Diluted) [Face Value ₹10] (in ₹) | 79.73 | 128.35 | 231.41 | 262.49 | 371.03 |





NOTICE

Notice is hereby given that **Thirty-First Annual General Meeting** of the Company will be held on Thursday, the 24th day of September, 2020 at 10:30 A.M. at Hotel Regent Grand, 2/6, East Patel Nagar, New Delhi-110008, to transact the following business:

ORDINARY BUSINESS

Item No. 1: Adoption of Accounts

To receive, consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2020, the reports of the Board of Directors and Auditors thereon.

Item No. 2: Declaration of Dividend

To declare a final dividend of ₹1.50 per equity share for the year ended on 31st March, 2020.

Item No. 3: Rotation of Director

To appoint a Director in place of Shri Rajender Prasad Gupta (DIN:00048888), who retires by rotation and being eligible, seeks re-appointment.

Item No. 4: Rotation of Director

To appoint a Director in place of Shri Ajay Gupta (DIN:02187741), who retires by rotation and being eligible, seeks re-appointment.

Item No. 5: Ratification of Appointment of Auditors

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

"**RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s R.D.Garg & Co., Chartered Accountants (Firm Registration No. 001776N), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of next AGM of the Company at such remuneration as may be determined by the Board of Directors of the Company."

SPECIAL BUSINESS

Item No. 6: Revision in the Remuneration of Shri Ajay Gupta (DIN:02187741), Whole Time Director/ Executive Director of the Company

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

"**RESOLVED THAT** pursuant to the provisions of Sections 197, 198, 203 read with Schedule-V and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and upon the recommendation of Nomination and Remuneration Committee, the approval of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company to increase the monthly remuneration of Shri Ajay Gupta (DIN:02187741), Whole Time Director / Executive Director designated as "Director (Operations)" and "Key Managerial Personnel" of the Company for its Unit located at Dahej (Gujarat) w.e.f. 1st January, 2020.

RESOLVED FURTHER THAT Shri Ajay Gupta, Whole Time Director / Executive Director of the Company shall be eligible to draw remuneration inclusive of Basic Salary, House Rent Allowance, Conveyance Allowance/Washing Allowance and Special Allowance aggregating to ₹4,69,061/- per month (Rupees Four Lakh Sixty Nine Thousand and Sixty One only) w.e.f. 1st January, 2020.

RESOLVED FURTHER THAT in addition to above mentioned remuneration, Shri Ajay Gupta will also be entitled to various perquisites, allowances and incentives which are within the permissible limits of the Companies Act, 2013, which are governed by following norms w.e.f. 1st January, 2020:



- i) Contribution to Employees Provident Fund (EPF) and Gratuity Fund shall be as per Company's Rules. The same will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income tax Act, 1961. Gratuity payable shall not exceed half a month salary for each completed year of service.
- ii) The aggregate amount of Performance Incentives and/or Variable Incentives, if any, provided by the Company shall be valued as per Income Tax Act, 1961 and Rules framed thereunder.
- iii) Ex-Gratia and/or Bonus and encashment of unavailed leaves as per the rules of the Company.
- iv) The Company may provide mobile/telephone at the residence of Shri Ajay Gupta. However, personal long distance calls, if any, shall be billed by the Company and paid by him.
- v) The Premium for a Floater Family Mediclaim Policy and Group Accident Policy shall not to exceed ₹10,000/- per annum (Rupees Ten Thousands only).

RESOLVED FURTHER THAT except for the aforesaid revision in salary, all other terms and conditions of his appointment as a Whole Time Director / Executive Director of the Company, as approved by the resolution passed at the Annual General Meeting of the Company held on 25.09.2019 shall remain unchanged.

RESOLVED FURTHER THAT upon recommendation of Nomination and Remuneration Committee, the approval of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company to provide increment as and when required subject to the provisions of the Companies Act, 2013 and the corresponding rules read with Schedule-V of the Companies Act, 2013.

RESOLVED FURTHER THAT Shri Sat Narain Gupta, Chairman & Managing Director, Shri Mahabir Prasad Gupta and Shri Rajender Prasad Gupta, Whole Time Directors of the Company be and are hereby severally authorised to do all such acts, deeds and things which are necessary to give effect to the above resolution."

Item No. 7: Ratification of remuneration payable to M/s. M.K.Singhal & Co., Cost Accountants, appointed as Cost Auditors of the Company for financial year 2020-21

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

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, the remuneration payable to M/s. M.K.Singhal & Co., Cost Accountants (Firm Registration No. 00074), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021, amounting to ₹1,55,000/- (Rupees One Lakh Fifty Five Thousands only) as also the payment of tax as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT Shri Sat Narain Gupta, Chairman & Managing Director, Shri Mahabir Prasad Gupta and Shri Rajender Prasad Gupta, Whole Time Directors of the Company be and are hereby severally authorized to take all the necessary steps in this regard."

Regd. Office:
1501, Vikram Tower,
Rajendra Place,
New Delhi - 110008
CIN: L24119DL1989PLC036264
NEW DELHI,
AUGUST 13, 2020

By Order of the Board of Directors
For **BHARAT RASAYAN LIMITED**

Sd/-
NIKITA CHADHA
Company Secretary



NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of matters covered pursuant "Special Business" is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Director, are also annexed.
2. **A member entitled to attend and vote at the Annual General Meeting ("the Meeting") is entitled to appoint a proxy to attend the meeting and vote on a poll, if any, instead of himself/herself and the proxy need not be a member of the Company. Proxy form duly filled must reach the registered office of the Company not less than forty-eight hours before the meeting. A blank proxy form is annexed to this notice.** A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
3. Corporate members intending to send their authorized 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 at the Meeting.
4. The Register of Members and Share Transfer Books of the Company shall remain closed on the Book Closure Dates, i.e., from 18th September, 2020 to 24th September, 2020 (both days inclusive) in terms of the provisions of the Companies Act, 2013, and the Listing Agreement entered with the Stock Exchange, where the equity shares of the Company are listed, for the purpose of Annual General Meeting. The dividend as recommended by the Board of Directors, if approved at the meeting, will be paid to those members whose names appear in the Register of Members or in the records of the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners of the shares as at the end of business hours on 17th September, 2020.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. While members holding shares in physical form may write to the Company's Registrar and Transfer Agent i.e. M/s Link Intime India Pvt. Limited, for changes, if any, in their address and bank mandates, members having shares in electronic form may inform such changes directly to their depository participant immediately so as to enable the Company to dispatch dividend warrant(s) at their correct address(es).
7. The soft copy of annual report, notice of annual general meeting, notice of e-voting etc. are being sent to the members who have registered their email-ids with their depository participant/Company's Registrar and Transfer Agent (RTA). Members are requested to update their preferred e-mail ids with the Company / Depository Participants / RTA which will be used for the purpose of sending the communications in future.
8. For convenience of Members, an attendance slip is annexed to the Proxy Form. Members/Proxies are requested to affix their signatures at the space provided therein and thereafter handover the Attendance Slip at the venue of the meeting. The Proxy of a Member should mark on the Attendance Slip as "Proxy".
9. As per SEBI Circular No. CIR/MRD/DP/10/2013 dated 21st March, 2013, listed companies are required to use, either directly or through their RTA, any RBI approved electronic mode of payment like ECS, NECS, NEFT etc. for distribution of dividends or providing other cash benefits to the



investors. Accordingly, the members, holding shares in physical form, are requested to update their address or provide / update their bank mandate (including details of MICR, IFSC etc.) with the Company or its Registrar & Transfer Agent (RTA), M/s. Link Intime India Pvt. Limited and members holding shares in dematerialized form are requested to intimate any change in their address or to change / update bank mandate with their Depository Participants (DPs) to enable the Company or RTA for making arrangements for electronic credit of dividend and other cash benefits to members.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) and updates of bank account details by every investors holding securities in physical or electronic mode with the Registrar and Transfer Agent.
11. For the security and safety of the members, no article/baggage including water bottles and tiffin boxes will be allowed at the venue of the meeting. The shareholders/attendees are requested not to bring any article/ baggage etc. at the venue of the Annual General Meeting.
12. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders as on the record date and in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
13. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the Meeting.
14. Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company or Company's Registrar & Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificate(s) will be returned to the member(s) after making requisite changes, thereon.
15. The Securities and Exchange Board of India (SEBI) vide Circular Ref No. MRD/DoP/CIR-05/2007 dated April 27, 2007, made Permanent Account Number (PAN) under Income Tax Act as the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. In continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company/Registrar & Transfer Agent for registration of such transfer of shares.
16. The shareholders can opt for only one mode of voting i.e. through e-voting or through physical polling at the meeting. In case of voting by both the modes, vote casted through e-voting will be considered final and voting through physical ballot will be considered invalid.
17. The shareholders are requested to communicate all their correspondence to:

The Compliance Officer,

Bharat Rasayan Limited,

1501, Vikram Tower, Rajendra Place, New Delhi-110008

Ph. No.: +91-11- 43661111, Fax No.: +91-11- 43661100

18. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, is annexed to this notice



EXPLANATORY STATEMENT

(In Compliance of Section 102 of the Companies Act, 2013)

Item No. 6: Revision in the Remuneration of Shri Ajay Gupta (DIN:02187741), Whole Time Director/ Executive Director of the Company

In the 30th Annual General Meeting of the Company held on September 25, 2019, Shri Ajay Gupta (DIN:02187741) was appointed as an Executive Director/ Whole Time Director designated as "Director (Operations)" and "Key Managerial Personnel" of the Company for its Unit located at Dahej (Gujarat) for a period of two years w.e.f. 1st April, 2019.

The Board, in view of his contributions to the Company's business and experience he holds and on recommendation of Nomination and Remuneration Committee, recommends the increase in monthly remuneration of Shri Ajay Gupta, Whole Time Director/ Executive Director and he shall be eligible to draw remuneration inclusive of Basic Salary, House Rent Allowance, Conveyance Allowance/Washing Allowance and Special Allowance aggregating to ₹4,69,061/- per month (Rupees Four Lakh Sixty Nine Thousand and Sixty One only) w.e.f. 1st January, 2020.

The remuneration payable to him commensurate with responsibilities conferred to him. The remuneration has been approved by Nomination & Remuneration Committee as per Schedule-V of the Companies Act, 2013.

The Board of Directors recommends the resolution for shareholders' approval at Item No. 6.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise except Shri Ajay Gupta, in the resolution set out at Item No. 6.

Item No. 7: Ratification of remuneration payable to M/s. M.K.Singhal & Co., Cost Accountants, appointed as Cost Auditors of the Company for financial year 2020-21

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. M.K.Singhal & Co., Cost Accountants (Firm Registration No. 00074), to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2021. In terms of the provisions of Section 148(3) of the Companies Act, 2013, read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought to ratify the remuneration being payable to the Cost Auditors.

The Board of Directors recommends the resolution for shareholders' approval at Item No. 7.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

Regd. Office:

1501, Vikram Tower,
Rajendra Place,
New Delhi - 110008
CIN: L24119DL1989PLC036264
NEW DELHI,
AUGUST 13, 2020

By Order of the Board of Directors
For **BHARAT RASAYAN LIMITED**

Sd/-
NIKITA CHADHA
Company Secretary



REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS

1. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to offer remote e-voting facility as an alternative mode of voting which will enable the Members to cast their votes through electronic means on all the resolutions set out in the Notice of Annual General Meeting. Necessary arrangements have been made by the Company with Link Intime India Pvt. Limited (LI IPL) to facilitate e-voting.

E-Voting is optional and members shall have the option to vote either through e-Voting or in person at the General Meeting.

The voting period begins on 21st September, 2020 from 9:30 A.M. and ends on 23rd September, 2020 at 5:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 17th September, 2020, may cast their vote electronically. The e-voting module shall be disabled by LI IPL for voting thereafter.

2. The process and instructions for Remote e-Voting are as under:

- (I) Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>.
- (II) **Those who are first time users of LI IPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:**
- a. Click on "**Sign Up**" under '**SHARE HOLDER**' tab and register with your following details:
- (i) **User ID:** Enter your User ID
- Members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
 - Members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
 - Members holding shares in **physical form shall provide Event No + Folio Number** registered with the Company
- (ii) **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).
- (iii) **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format).
- (iv) **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
- Members holding shares in **CDSL demat account shall provide either '(iii)' or '(iv)', above.**
 - Members holding shares in **NSDL demat account shall provide '(iv)', above.**
 - Members holding shares in **physical form** but have not recorded '(iii)' and '(iv)', shall provide their Folio Number in '(iv)' above.
- b. Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
- c. Click "confirm" (Your password is now generated).



- (III) Click on 'Login' under '**SHARE HOLDER**' tab.
- (IV) Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.
- (V) After successful login, you will be able to see the notification for e-voting. Select '**View**' icon for '**Bharat Rasayan Limited / Event number (200189)**'.
- (VI) E-voting page will appear.
- (VII) Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
- (VIII) After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on '**No**' and accordingly modify your vote.
- (IX) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

If you have forgotten the password:

- (i) Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- (ii) Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case member is having valid email address, Password will be sent to his / her registered e-mail address.
 - Member can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
 - The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

By Order of the Board of Directors
For **BHARAT RASAYAN LIMITED**

Regd. Office:

1501, Vikram Tower,
Rajendra Place,
New Delhi – 110008
CIN: L24119DL1989PLC036264
NEW DELHI
AUGUST 13, 2020

Sd/-
NIKITA CHADHA
Company Secretary



BOARD'S REPORT

Dear Shareholders,

On behalf of the Board of Directors, it is our pleasure to present the 31st Annual Report together with the Audited Statement of Accounts of **Bharat Rasayan Limited** ("the Company") for the year ended March 31, 2020.

Financial Performance

The summarized standalone results of your Company and are given in the table below.

(₹ in Lakhs)

| Particulars | Standalone | | Consolidated | |
|--|---------------------|---------------------|---------------------|---------------------|
| | As at 31.03.2020 | As at 31.03.2019 | As at 31.03.2020 | As at 31.03.2019 |
| Total Income | 1,23,187 | 99,469 | 1,23,187 | 99,469 |
| Total Expenses (excluding Interest and Depreciation) | 98,911 | 80,684 | 98,911 | 80,684 |
| Profit before Interest, Depreciation & Tax (EBITDA) | 24,276 | 18,785 | 24,276 | 18,785 |
| Provision for Income Tax (including for earlier years) | 4,755 | 4,361 | 4,755 | 4,361 |
| Profit after Tax | 15,764 | 11,152 | 15,764 | 11,152 |
| Other Comprehensive Income | (67) | (19) | (67) | (19) |
| Total Comprehensive Income for the year | 15,697 | 11,133 | 15,697 | 11,133 |
| Earnings Per Share (EPS) [in ₹] | 371.03 | 262.49 | 371.03 | 262.49 |

Summary of Operations

During the year, your Company's profit after tax stood at ₹15,764 Lacs vis-à-vis ₹11,152 Lacs in the previous year, registering a growth of approx. 41.36%.

Outlook

2019-20 has been a challenging year with weakening consumer sentiment given the macro-economic conditions and finally, the COVID-19 outbreak and its terrible impact on lives and livelihoods. The human impact of the virus and the containment efforts have resulted in supply and demand disruptions, resulting in a sharper growth deceleration. The situation remains volatile with the trajectory of the virus undetermined, evolving hot spot geographies, the success of containment measures uncertain, the severity and duration of resulting economic crisis and the extent of structural damage unknown. There are many unknowns today and hence, the near-term outlook is extremely uncertain. We stand united with the nation in the fight against COVID-19 as we navigate our way through these dynamic uncertain times together. Our focus remains on safety of our people, protecting supply lines, serving demand, contributing to the society and optimising cost and cash.

Despite the near-term ambiguity, we remain confident of the medium to long-term growth prospects of the Agro chemical sector. Our Sector is working closely with Governments to ensure that we overcome this global health crisis together. Although the current situation is much more uncertain than normal, we are confident about our ability to manage the immediate crisis and come out of it in a strengthened competitive position. We remain focused on delivering consistent, competitive, profitable and responsible growth through our fundamentals of growth and sustainable business model.



Reserves

During the year, the Company has not transferred any amount to General Reserves of the Company.

Dividend

Your Directors have recommended a dividend of ₹1.50 per equity share of ₹10/- each for financial year 2019-20. The final dividend subject to the approval of the members at the Annual General Meeting will be paid to those members whose names appear in the Register of Members or in the records of the Depositories i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners of the shares as at the end of business hours on the record date.

Details of Board Meetings

During the year, Five (5) number of Board meetings were held, details of which are given below:

| Date of the meeting | No. of Directors attended the meeting |
|----------------------------|--|
| 30.05.2019 | 8 |
| 14.08.2019 | 7 |
| 30.09.2019 | 8 |
| 14.11.2019 | 8 |
| 14.02.2020 | 7 |

Capital/ Finance

As on 31st March, 2020, the issued, subscribed and paid up share capital of your Company stood at ₹4,24,87,400/-, comprising 42,48,740 equity shares of ₹10/- each.

Corporate Governance

Maintaining high standards of Corporate Governance has been fundamental to the business of your Company since its inception. A separate report on Corporate Governance is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations. A Certificate of the CEO and CFO of the Company in terms of Listing Regulations, inter-alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

The extract of annual return in Form MGT-9 as required under Section 92(3) of the Companies Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as an Annexure to this Report and also available on the Company's website at www.bharatgroup.co.in.

Committees of Board

The details of composition of the Committees formulated by the Board of Directors are as under:

a. Audit Committee

| Sr. No. | Name | Chairperson / Member |
|----------------|----------------------------|-----------------------------|
| 1. | Shri Rajesh Gupta | Chairperson |
| 2. | Shri Pankaj Gupta | Member |
| 3. | Shri Rajender Prasad Gupta | Member |

During the year, the Committee had met on 30.05.2019, 14.08.2019, 14.11.2019 and 14.02.2020.



b. Nomination & Remuneration Committee

| Sr. No. | Name | Chairperson / Member |
|---------|------------------------|----------------------|
| 1. | Shri Rajesh Gupta | Chairperson |
| 2. | Shri Pankaj Gupta | Member |
| 3. | Shri Suresh Kumar Garg | Member |

During the year, the Committee had met on 30.05.2019, 14.08.2019 and 14.02.2020.

c. Corporate Social Responsibility Committee

| Sr. No. | Name | Chairperson / Member |
|---------|----------------------------|----------------------|
| 1. | Shri Mahabir Prasad Gupta | Chairperson |
| 2. | Shri Rajender Prasad Gupta | Member |
| 3. | Smt. Sujata Agarwal | Member |

During the year, the Committee had met on 30.08.2019, 14.10.2019, 11.11.2019 and 17.01.2020. The Committee had approved the CSR Policy and the Budget. The CSR Policy is uploaded on Company's website. Further, the Report on CSR Activities / Initiatives is enclosed as annexure.

d. Stakeholders Relationship / Shareholder Grievance Committee

| Sr. No. | Name | Chairperson / Member |
|---------|---------------------------|----------------------|
| 1. | Shri Pankaj Gupta | Chairperson |
| 2. | Smt. Sujata Agarwal | Member |
| 3. | Shri Mahabir Prasad Gupta | Member |

During the year, the Committee had met on 08.04.2019, 04.07.2019, 04.10.2019 and 08.01.2020.

e. Share Transfer Committee

| Sr. No. | Name | Chairperson / Member |
|---------|----------------------------|----------------------|
| 1. | Shri Mahabir Prasad Gupta | Chairperson |
| 2. | Shri Rajender Prasad Gupta | Member |
| 3. | Smt. Sujata Agarwal | Member |

During the year, the Committee had met on 07.05.2019, 21.05.2019, 10.07.2019, 20.07.2019, 10.08.2019, 20.08.2019, 10.09.2019, 20.09.2019, 14.11.2019, 14.02.2020, and 20.03.2020.

f. Committee of Directors

| Sr. No. | Name | Chairperson / Member |
|---------|----------------------------|----------------------|
| 1. | Shri Sat Narain Gupta | Chairperson |
| 2. | Shri Mahabir Prasad Gupta | Member |
| 3. | Shri Rajender Prasad Gupta | Member |

During the year, the Committee had met on 04.04.2019, 03.06.2019, 23.07.2019, 20.09.2019, 12.12.2019, 06.02.2020, 18.02.2020, 24.02.2020 and 09.03.2020.

g. Directors' Responsibility Statement

Pursuant to the requirement Clause (c) of Sub-Section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

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



- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors, in the case of a listed company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statutory Auditors Report and Notes to Financial Statements

The Independent Auditor's Report of M/s. R.D Garg & Co., Chartered Accountants, the Statutory Auditors of the Company, on the financial statements of the Company for the financial year ended 31st March, 2020, read with relevant Notes to Financial Statements are self-explanatory and do not call for any further explanation.

Cost Audit

In terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. M.K.Singhal & Co., Cost Accountants have been appointed as Cost Auditors to conduct the audit of cost records of your Company for the financial year 2019-20. The remuneration proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing AGM.

Your Company has filed the Cost Audit Report with the Ministry of Corporate Affairs for the relevant financial year.

Secretarial Audit

In terms of Section 204 of the Act and Rules made thereunder, M/s. Mamta Jain & Associates, Practicing Company Secretary have been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as annexure to this report. The report is self-explanatory and do not call for any further comments.

Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act, details of which needs to be mentioned in this Report.

Credit Ratings

There were no changes in the credit ratings of the Company. As on March 31, 2020, the Company had credit rating of AA- for long term and A1+ for short term.

Fixed Deposits

The Company has not accepted any deposits from the public during the year under review. No amount on account of principal or interest on deposits from the public was outstanding as on March 31, 2020.



Particulars of Loans, Guarantees or investments

(i) Amount outstanding as at 31st March, 2020

| Particulars | Amount (₹ in Lakhs) |
|--|---------------------|
| Loans Given | Nil |
| Guarantees Given | 203.55 |
| Surety given to Custom & Excise Commissioner | 1608.16 |
| Investments Made in Mutual Funds | Nil |

(ii) Loans, Guarantees and Investments made during the Financial Year 2019-20

| Name of Entity | Relation | Amount (₹ in lakhs) | Particulars of loans, guarantees and investments | Purpose for which the loans, guarantees and investments are proposed to be utilized |
|---|----------|---------------------|--|---|
| Dakshin Gujarat Vij Company Limited, Dahej, Gujarat | - | 43.31 | Guarantee Given | As security to Electricity Department |
| Commissioner of Customs | - | 10.00 | Guarantee Given | As security to Custom Department |
| SBI Mutual Funds (Short Term) | - | 16000.00 | Short Term Investments | Cash Management |

Disclosure

The details in relation to the composition of Audit Committee, establishment of Vigil Mechanism for directors and employees, Internal Financial Controls and Director's Remuneration Policy of the Company have been given in the Corporate Governance Report forming part of this Annual Report.

No significant or material orders were passed by the Regulators or Courts or Tribunals which impacts the going concern status and Company's operations in future.

Compliance with Secretarial Standards

The Company has complied with all the applicable provisions of Secretarial Standard-1 and Secretarial Standard-2 relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively issued by Institute of Company Secretaries of India.

Related Party Transactions

In line with the requirements of the Companies Act, 2013 and amendment to the Listing Regulations, your Company has formulated a revised Policy on Related Party Transactions which is also available on the Company's website at www.bharatgroup.co.in. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. All Related Party Transactions are subjected to review with the requirements of Related Party Transactions under the Companies Act, 2013, and Listing Regulations. All Related Party Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis. The disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is attached as Annexure.

Joint Venture

The Company i.e. Bharat Rasayan Limited (BRL) has executed a Joint Venture ("JV") Agreement on 18.02.2020, with Nissan Chemical Corporation (NCC), a company incorporated in Japan, and with



Nissan Bharat Rasayan Private Limited, a company incorporated in India ("JV" Company). The joint venture will operate through a company named 'Nissan Bharat Rasayan Private Limited', a company incorporated in India in which BRL has 30% share and NCC has 70% share. The Joint Venture Company i.e. Nissan Bharat Rasayan Private Limited has decided to construct new manufacturing factory in India for various technical products. Nissan Chemical Corporation is a research based Company and is one of the largest manufacturers of agrochemicals in Japan having global operations. Nissan Chemical Corporation has developed good relationship of mutual trust with Bharat Rasayan Limited and thus Nissan Chemical Corporation wants to enter into joint venture with Bharat Rasayan Limited. The detailed disclosure as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the relevant circulars, is given below.

1. Name(s) of parties with whom the agreement is entered

- (a) Joint Venture Partner - Nissan Chemical Corporation ("**NCC**"), a company incorporated in Japan.
- (b) Joint venture Company, 'Nissan Bharat Rasayan Private Limited', a company incorporated in India ("**JV Company**").

2. Purpose of entering into the agreement

- (a) Nissan Chemical Corporation is a research based Company and is one of the largest manufacturers of agrochemicals in Japan having global operations. NCC is desirous of expanding its manufacturing base in India by entering into a joint venture with BRL.
- (b) Bharat Rasayan Limited is a leading manufacturer of technical grade pesticides, intermediates and bulk formulations in India and is desirous of forming a joint venture with NCC.
- (c) Nissan Chemical Corporation has developed good relationship of mutual trust with Bharat Rasayan Limited and thus Nissan Chemical Corporation wants to enter into joint venture with Bharat Rasayan Limited.
- (d) NCC and BRL have decided to establish a joint venture and jointly undertake the business through the JV Company.

3. Shareholding, if any, in the entity with whom the agreement is executed

- (a) BRL does not hold any shares of NCC.
- (b) As per the terms of the joint venture agreement ("JV Agreement"), upon subscription / acquisition of shares of the JV Company, NCC will hold 70% and BRL will hold 30% of the total share capital of the JV Company.

4. Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.

Significant terms of the JV Agreement (in brief) are set out hereunder:

- (a) The Board of Directors of the JV Company shall initially comprise of not more than eight (8) Directors. NCC shall have the right to nominate five (5) Directors, BRL shall have the right to nominate two (2) Directors and one (1) Director shall be an independent professional.
- (b) NCC and BRL have rights of pre-emption in case of fresh issuance of shares of the JV Company.
- (c) BRL and NCC have affirmative vote rights in respect of certain matters concerning the JV Company.
- (d) There is a restriction on transfer of shares of the JV Company by BRL and NCC for a period of 10 years, subject to certain exceptions.



- (e) In case BRL and NCC propose to transfer their shares in the JV Company to a third party, then the other party has a right of first refusal.
- (f) If NCC is transferring its shares in the JV Company to a third party, then BRL has a tag along right.
- (g) Under the terms of the JV Agreement, a non-compete restriction has been imposed on BRL with respect to the business of the JV Company, with certain exceptions.

5. Whether, the said parties are related to promoter/ promoter group/ group companies in any manner. If yes, nature of relationship

- (a) The JV Company had been incorporated by Mr. Sat Narain Gupta and Mr. Rajender Prasad Gupta on 12/12/2019.
- (b) Mr. Sat Narain Gupta and Mr. Rajender Prasad Gupta are part of the Promoter Group of BRL.
- (c) Currently, Mr. Sat Narain Gupta and Mr. Rajender Prasad Gupta hold 100% of the paid up equity share capital of the JV Company.
- (d) Mr. Sat Narain Gupta and Mr. Rajender Prasad Gupta intend to transfer 100% of their shareholding in the JV Company to BRL for a total purchase consideration of ₹1,00,000/- which is the face value of the shares.

6. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "Arm's length"

BRL and NCC are not related parties, as defined under the Companies Act, 2013. Therefore, the formation of a joint venture between BRL and NCC pursuant to the JV Agreement is not a related party transaction for BRL.

7. In case of issuance of shares to the parties, details of issue price, class of shares issued

The JV Company will initially issue equity shares to both NCC and BRL at face value i.e. ₹10/- per equity share. All equity shares of the JV Company, proposed to be issued to BRL and NCC by the JV Company, shall be pari passu with each other. There are no classes of shares presently contemplated in the JV Company.

8. Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.

- (a) NCC and BRL, as shareholders of the JV Company shall have the right to nominate certain Directors on the Board of the JV Company. NCC shall have the right to nominate five (5) Directors and BRL shall have the right to nominate two (2) Directors.
- (b) The Managing Director of the JV Company shall be appointed from amongst the Directors nominated by NCC.

Business Responsibility Report

The Securities Exchange Board of India (SEBI) on November, 2019 as per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and for better compliance with corporate governance norms decided to make it mandatory for top 1,000 listed companies to prepare annual business responsibility report, covering their activities related to environment and stakeholder relationships as a part of its Annual Report. Bharat Rasayan Limited (the "Company") being one of the top thousand listed company has to approve and adopt the Business Responsibility Policy (the "Policy") which is based on principles laid down in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of a Business published by the Ministry of Corporate Affairs, towards conducting business by a company. The Business Responsibility Report forms a part of this Annual Report.



Human Resources

Your Company treats its "Human Resources" as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has already adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Rules framed thereunder.

During the financial year 2019-20, the Company has not received any complaint on sexual harassment.

Vigil Mechanism

Pursuant to the requirement of the Act, the Company has established vigil mechanism, a channel through which the Directors and Employees of the Company have a secure mechanism to report genuine concerns including any unethical behavior, actual or suspected frauds taking place in M/s Bharat Rasayan Limited for appropriate action or reporting.

Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI Listing Regulations").

Directors, who were designated, held separate discussions with each of the Directors of the Company and obtained their feedback on overall Board effectiveness as well as each of the other Directors.

A separate meeting of the Independent Directors ("Annual ID Meeting") was convened, which reviewed the performance of the Board (as a whole), the Non-Independent Directors and the Chairman.

Some of the key criteria which were being considered for performance evaluation were as follows:

- Attendance at Board or Committee Meetings;
- Contribution at Board or Committee Meetings;
- Guidance/support to Management outside Board/Committee Meetings;
- Degree of fulfilment of key responsibilities;
- Board structure and composition; and
- Effectiveness of Board process

Risk Management Policy

In terms of the requirement of the Act, the Company has developed and implemented the Risk Management Policy and the Audit Committee of the Board reviews the same periodically.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.



Declaration by Independent Directors

Shri Pankaj Gupta, Shri Ram Kanwar, Smt. Sujata Agarwal, Shri Suresh Kumar Garg and Shri Rajesh Gupta are independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in Section 149 of the Act and the Rules made thereunder about their status as Independent Directors of the Company.

Company's Policy on Appointment and Remuneration

During the year under review the Company is duly following the Nomination and Remuneration Policy. This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act") and the relevant Listing Regulations.

Ratio of Remuneration of Director

The information required under Section 197 of the Act and the Rules made thereunder, in respect of employees of the Company is enclosed as Annexure to the Board's Report.

Internal Financial Control

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews being made by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2019-20.

Secretarial Auditors' Report/ Secretarial Compliance Report

The Secretarial Auditors' Report do not contain any qualifications, reservations or adverse remarks. Report of the Secretarial Auditor is given as an annexure which forms part of this report.

In accordance with the SEBI Circular dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from M/s. Mamta Jain & Associates, Practicing Company Secretary confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended 31st March, 2020.

Directors and Key Managerial Personnel

Shri Rajender Prasad Gupta and Shri Ajay Gupta, Directors of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees, commission and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are Mr. Rakesh Verma, Chief Financial Officer and Ms. Nikita Chadha, Company Secretary of the Company.

Annual Evaluation of Board Performance and Performance of its Committees and of Directors

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The NRC has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The performance of the Board and individual Directors was evaluated by the Board after seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board after seeking



inputs from the Committee Members. The criteria for performance evaluation of the Board included aspects such as Board composition and structure, effectiveness of Board processes, contribution in the long term strategic planning, etc. The criteria for performance evaluation of the Committees included aspects such as structure and composition of Committees, effectiveness of Committee meetings etc. The above criteria for evaluation was based on the Guidance Note issued by SEBI.

In a separate meeting, the Independent Directors evaluated the performance of Non-Independent Directors and performance of the Board as a whole. They also evaluated the performance of the Chairman taking into account the views of Executive Directors and Non-Executive Directors. The NRC reviewed the performance of the Board, its Committees and of the Directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors and NRC, at which the feedback received from the Directors on the performance of the Board and its Committees was also discussed. Significant highlights, learning and action points with respect to the evaluation were discussed by the Board.

Transfer of Amounts to Investor Education and Protection Fund

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of Information regarding Unpaid and Unclaimed amounts lying with Companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amount lying with the Company, as on the date of last AGM (i.e. 25th September, 2019), with the Ministry of Corporate Affairs.

Disclosure requirements

As per SEBI Listing Regulations, Corporate Governance Report with Auditor's Certificate thereon and Management Discussion and Analysis Report are attached, which form part of this report.

Particulars of Employees

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employees was in receipt of remuneration exceeding the limit specifies in the Act and the corresponding rules.



Top Ten Employees in Terms of Remuneration drawn during the year

| Sr. No. | Employee Name | Designation | Educational Qualification | Experience (in years) | Remuneration in Fiscal 2020* (₹ in Lakhs) | Previous Employment and Designation |
|---------|--------------------------|---|--|-----------------------|---|---|
| 1. | Rajender Prasad Gupta | Whole Time Director | Graduate | 32 | 1,063.89 | --- |
| 2. | Sat Narain Gupta | Chairman & Managing Director | M.A. | 44 | 558.84 | --- |
| 3. | Mahabir Prasad Gupta | Whole Time Director | Graduate | 43 | 540.84 | --- |
| 4. | Abhishek Aggarwal | President-Institutional Business | B.Sc. (IT), PGD in Management, PGD in Plant Protection | 16 | 93.20 | Crystal Crop Protection Pvt. Limited, Delhi <i>Vice President-Exports</i> |
| 5. | Ajay Kumar Gupta | Director (Operations) | B.E. Chemical | 36 | 66.10 | Coromandel International Ltd - <i>Associate Vice President</i> |
| 6. | Kamleshwar Prasad Uniyal | Director (Operations) | Post Graduate | 40 | 42.82 | Ranbaxy Limited, (SAS Nagar Mohali) - <i>Production Chemist</i> Montari Industry Limited (Ropar) - <i>Production supervisor</i> Rallis India Limited (Derabassi Punjab)- <i>Production Superintendent</i> |
| 7. | Mahendra Pratap Singh | Vice President-R&D | M.Sc. | 30 | 37.79 | Sudarshan Chemicals Ltd, <i>Manager - R&D</i> |
| 8 | Sanjay Gupta | Associate Vice President - International Business | B.E. & MBA (International Business) | 35 | 30.78 | Spark Engg. Pvt. Limited, Sahibabad (Uttar Pradesh) <i>General Manager-Exports</i> |
| 9 | Manishi Agarwal | Associate Vice President - Regulatory Affairs | Ph.D (Analytical Chemistry) | 30 | 28.85 | Jai Research Foundation - (<i>Assistant Director</i>) |
| 10 | Narasimha D. Prabhu | GM - Production | B.E (Chemical) | 28 | 27.86 | Rallis India Limited - <i>DGM</i> |



*The Remuneration includes only Gross Salary earned including leave encashment, variable incentive, fixed incentive, perquisites and profit based commission, if any, and without any statutory deductions (like, EPF, I.Tax etc.). Other reimbursement (if any like medical, petrol, driver etc.) are not included.

Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

(a) Conservation of Energy

Energy conservation has been an important thrust area of the management and is being continuously monitored and efforts to conserve and optimize the use of energy through improved operational methods and other means are being continued on an ongoing basis. We have persistent in our efforts to ensure reuse, recycling to the extent possible.

Wherever possible, energy conservation measures have already been implemented by your Company.

With growing concerns, there has been an exhaustive search made for means of alternative energy which may be considered for implementation in future and your Company would continue to explore alternative sources of energy in future. Sustainability is deeply rooted in all the operations of your Company.

The energy consumption and the cost of production are being kept under control.

(b) Technology Absorption and Research and Development (R&D)

Technology Absorption, Adaptation & Innovation

1. The Company has no technical collaboration and the processes are carried out on the standard known technology and efforts are made to improve upon the same on an ongoing basis.
2. The Company has been in a position to cater to the requirements of customers, both Indian and foreign.
3. The Company has not imported any technology so far.

Research & Development (R&D)

1. Company's In-house R&D facilities are recognized by the Ministry of Science and Technology, New Delhi.
2. R&D efforts of the Company are directed towards quality assurance and improvement of existing products quality.
3. Development of new processes for products is carried out on an ongoing basis. Several new products were developed during the year under review with special impetus on following aspects:
 - Develop new products for contribution in growth of the Company.
 - Competitive in terms of technical & commercial point of view.
 - Enhanced effectiveness of products towards end use.
 - More environment friendly process.
 - More safe to manufacture.



4. Expenditure on R&D by Company's In-house R&D Unit: Amount (₹ in Lakhs)

| Sr.No. | Nature | Unit-1 (Bahadurgarh, Haryana) | Unit-2 (Dahej, Gujarat) | Total |
|--------|--------------|----------------------------------|----------------------------|---------------|
| 1 | CAPITAL | 28.38 | Nil | 28.38 |
| 2 | RECURRING | 137.23 | 87.37 | 224.60 |
| | TOTAL | 165.61 | 87.37 | 252.98 |

Total R&D expenditure (as % of total expenditure) : 0.25%

(c) Foreign exchange earnings and Outgo

During the year, the total foreign exchange used was ₹50025.39 Lakhs and the total foreign exchange earned was ₹58615.14 Lakhs.

Acknowledgement

Your Directors place on record their appreciation for employees at all levels, who have contributed to the growth and performance of your Company.

Your Directors also thank the clients, vendors, bankers, shareholders and advisers of the Company for their continued support.

Your Directors also thank the Central and State Governments, and other statutory authorities for their continued support.

For and on behalf of the Board
M/s Bharat Rasayan Limited

Sd/-
(SAT NARAIN GUPTA)
Chairman & Managing Director
DIN: 00024660

NEW DELHI,
AUGUST 13, 2020



ANNEXURE TO THE BOARD'S REPORT

FORM MGT-9

Extract of Annual Return as on the financial year ended on 31st March, 2020

*[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

| | | |
|------|--|--|
| i) | CIN | L24119DL1989PLC036264 |
| ii) | Registration Date | May 15, 1989 |
| iii) | Name of the Company | BHARAT RASAYAN LIMITED |
| iv) | Category/Sub-Category of the Company | Public Company/Limited by shares, Company having share capital |
| v) | Address of the Registered Office and contact details | 1501, Vikram Tower, Rajendra Place, New Delhi-110008 Ph. No.: +91-11-43661111 Fax No.: +91-11-43661100 |
| vi) | Whether Listed Company (Yes/No) | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | M/s Link Intime India Pvt. Limited Noble Heights, First Floor, Plot NH-2, C-1, Block LSC, Near Savitri Market, Janakpuri, New Delhi-110058 Tel. Nos.: 91-11-41410592-94 Fax No: 91-11-41410591 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

| Sr. No. | Name and description of main products / services | NIC Code of the product/service | % to total turnover of the Company |
|----------------|---|--|---|
| 1 | Lambda Cyhalothrin Technical | 20219 | 27.18 |
| 2 | Metaphenoxy Benzaldehyde | 20219 | 11.18 |
| 3 | Metribuzine Technical | 20219 | 10.74 |

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 |
|--------------------|--|----------------|---|-------------------------|---------------------------|
| — NOT APPLICABLE — | | | | | |



IV. SHAREHOLDING PATTERN (Equity share capital breakup as percentage of total equity)
i. Category-wise shareholding

| Sl. No. | Category of Shareholders | No. of shares held at the beginning of the year (01/04/2019) | | | | No. of shares held at the end of the year (31/03/2020) | | | | % Change during the year |
|-----------|---|--|----------|------------------|-------------------|--|----------|------------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. | Shareholding of Promoters and Promoters' Group | | | | | | | | | |
| | 1) Indian | | | | | | | | | |
| | a) Individual/HUF | 28,06,983 | - | 28,06,983 | 66.0663 | 27,76,083 | - | 27,76,083 | 65.3390 | (0.7273) |
| | b) Central Govt. / State Govt. | - | - | - | - | - | - | - | - | - |
| | c) Financial Institutions/Banks | - | - | - | - | - | - | - | - | - |
| | d) Any Other | | | | | | | | | |
| | - Bodies Corporate | 3,72,221 | - | 3,72,221 | 8.7607 | 4,03,121 | - | 4,03,121 | 9.4880 | 0.7273 |
| | Sub-total (A) (1) | 31,79,204 | - | 31,79,204 | 74.8270 | 31,79,204 | - | 31,79,204 | 74.8270 | - |
| | 2) Foreign | | | | | | | | | |
| | a) Individuals (NRI/ Foreign Individuals) | - | - | - | - | - | - | - | - | - |
| | b) Govt. | - | - | - | - | - | - | - | - | - |
| | c) Institutions | - | - | - | - | - | - | - | - | - |
| | d) Foreign Portfolio Investor | - | - | - | - | - | - | - | - | - |
| | e) Any Other | - | - | - | - | - | - | - | - | - |
| | Sub-total (A) (2) | - | - | - | - | - | - | - | - | - |
| | Total Shareholding of Promoters and Promoters' Group [(A) = (A)(1)+(A)(2)] | 31,79,204 | - | 31,79,204 | 74.8270 | 31,79,204 | - | 31,79,204 | 74.8270 | - |
| B. | Public shareholding | | | | | | | | | |
| | 1) Institutions | | | | | | | | | |
| | a) Mutual Funds | - | - | - | - | 19361 | - | 19361 | 0.4558 | 0.4558 |
| | b) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| | c) Alternate Investment Funds | - | - | - | - | 488 | - | 488 | 0.0117 | 0.0117 |
| | d) Foreign Venture Capital Investors | - | - | - | - | - | - | - | - | - |
| | e) Foreign Portfolio Investor | 8378 | - | 8378 | 0.1972 | 11724 | - | 11724 | 0.2759 | 0.0787 |



| Sl. No. | Category of Shareholders | No. of shares held at the beginning of the year (01/04/2019) | | | | No. of shares held at the end of the year (31/03/2020) | | | | % Change during the year |
|---------|--|--|----------|---------------|-------------------|--|----------|---------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| | | | | | | | | | | |
| | f) Financial Institution / Banks | 2,423 | - | 2,423 | 0.0570 | 2,160 | - | 2,160 | 0.0508 | (0.0062) |
| | g) Insurance Companies | - | - | - | - | - | - | - | - | - |
| | h) Provident Funds / Pension Funds | - | - | - | - | - | - | - | - | - |
| | i) Any Others (Specify) | | | | | | | | | |
| | Sub-total (B) (1) | 10,801 | - | 10,801 | 0.2542 | 33,743 | - | 33,743 | 0.7941 | 0.5400 |
| | 2. Central Govt. / State Govt. / President of India | - | - | - | - | - | - | - | - | - |
| | Sub-total (B) (2) | - | - | - | - | - | - | - | - | - |
| | 3. Non-Institutions | | | | | | | | | |
| | a) Individuals | | | | | | | | | |
| | i) Individual shareholders holding nominal share capital upto ₹ 2 Lakhs | 2,88,679 | 1,27,718 | 4,16,397 | 9.8005 | 2,95,703 | 1,07,517 | 4,03,220 | 9.4903 | (0.3102) |
| | ii) Individual shareholders holding nominal share capital in excess of ₹ 2 Lakhs | - | - | - | - | - | - | - | - | - |
| | b) NBFCs registered with RBI | - | - | - | - | - | - | - | - | - |
| | c) Employee Trust | - | - | - | - | - | - | - | - | - |
| | d) Overseas Depositories (holding DRs) (balancing figure) | | | | | | | | | |
| | e) Any other (Specify) | | | | | | | | | |
| | j) IEPF | 73,618 | - | 73,618 | 1.7327 | 73,518 | - | 73,518 | 1.7303 | (0.0024) |
| | ii) Trust | - | - | - | - | - | - | - | - | - |
| | iii) Foreign Nationals | 153 | - | 153 | 0.0036 | 200 | - | 200 | 0.0047 | 0.0011 |
| | iv) Hindu Undivided Family | 7,457 | - | 7,457 | 0.1755 | 8,789 | - | 8,789 | 0.2070 | 0.0314 |
| | v) Non Resident Indians (Non Repat) | 9,838 | - | 9,838 | 0.2316 | 4,488 | - | 4,488 | 0.1056 | (0.1260) |
| | vi) Non Resident Indians (Repat) | 13,752 | - | 13,752 | 0.3237 | 12,664 | - | 12,664 | 0.2981 | (0.0256) |
| | vii) Clearing Members | 3,698 | - | 3,698 | 0.0870 | 2,894 | - | 2,894 | 0.0681 | (0.0189) |
| | viii) Bodies Corporate | 5,31,622 | 2,200 | 5,33,822 | 12.5642 | 5,27,280 | 2,740 | 5,30,020 | 12.4748 | (0.0894) |



| Sl. No. | Category of Shareholders | No. of shares held at the beginning of the year (01/04/2019) | | | | No. of shares held at the end of the year (31/03/2020) | | | | % Change during the year |
|---------|---|--|----------|-----------|-------------------|--|----------|-----------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| | Sub-total (B) (3) | 9,28,817 | 1,29,918 | 10,58,735 | 24.9188 | 9,25,536 | 1,10,257 | 10,35,793 | 24.3789 | (0.5400) |
| | Total Public Shareholding [(B)=(B)(1)+(B)(2) +(B)(3)] | 9,39,618 | 1,29,918 | 10,69,536 | 25.1730 | 9,59,279 | 1,10,257 | 10,69,536 | 25.1730 | - |
| | -C. Non-Promoter - Non Public [Sub-Total (C)] | - | - | - | - | - | - | - | - | - |
| | Grand Total (A+B+C) | 41,18,822 | 1,29,918 | 42,48,740 | 100.0000 | 41,38,483 | 1,10,257 | 42,48,740 | 100.0000 | - |

ii. Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year (01/04/2019) | | | | Shareholding at the end of the year (31/03/2020) | | | | % change in shareholding 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 | No. of Shares | % of Shares Pledged/ encumbered to total shares | |
| 1 | Sat Narain Gupta | 10,28,631 | 24.2102 | - | 10,11,631 | 23.8101 | - | 23,8101 | - | (0.4001) |
| 2 | Mahabir Prasad Gupta | 4,22,800 | 9.9512 | - | 4,22,800 | 9.9512 | - | 9,9512 | - | - |
| 3 | S.N. Gupta (HUF) | 3,56,200 | 8.3837 | - | 3,56,200 | 8.3837 | - | 8,3837 | - | - |
| 4 | Rajender Prasad Gupta | 3,31,544 | 7.8033 | - | 4,92,631 | 11.5948 | - | 11,5948 | - | 3.7915 |
| 5 | Vikas Gupta | 1,94,300 | 4.5731 | - | 1,94,300 | 4.5731 | - | 4,5731 | - | - |
| 6 | Weldon Fincap Pvt. Limited | 1,57,049 | 3.6964 | - | 1,57,049 | 3.6964 | - | 3,6964 | - | - |
| 7 | R.P. Gupta (HUF) | 1,46,089 | 3.4384 | - | - | - | - | - | - | (3.4384) |
| 8 | Savita Gupta | 1,24,300 | 2.9256 | - | 1,16,600 | 2.7443 | - | 2,7443 | - | (0.1813) |
| 9 | BRL Finlease Limited | 1,14,172 | 2.6872 | - | 1,14,172 | 2.6872 | - | 2,6872 | - | - |
| 10 | Centum Finance Limited | 1,01,000 | 2.3772 | - | 1,31,900 | 3.1044 | - | 3,1044 | - | 0.7272 |
| 11 | Rajesh Gupta | 82,837 | 1.9497 | - | 82,837 | 1.9497 | - | 1,9497 | - | - |
| 12 | Manju Gupta | 59,584 | 1.4024 | - | 56,484 | 1.3294 | - | 1,3294 | - | (0.0730) |
| 13 | Sahil Gupta | 45,700 | 1.0756 | - | 42,600 | 1.0027 | - | 1,0027 | - | (0.0729) |
| 14 | Ram Narain (HUF) | 14,998 | 0.3530 | - | - | - | - | - | - | (0.3530) |
| | Total | 31,79,204 | 74.8270 | - | 31,79,204 | 74.8270 | - | 74,8270 | - | - |



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

| Sr. No. | Particulars | Shareholding at the beginning of the year as on 01/04/2019 | | Cumulative Shareholding during the year (2019-20) | |
|---------|------------------------------|--|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1. | SAT NARAIN GUPTA | | | | |
| | At the beginning of the year | 1028631 | 24.2102 | 1028631 | 24.2102 |
| | Bought during the Year | - | - | 1028631 | 24.2102 |
| | Sold during the year | 17000 | 0.4001 | 1011631 | 23.8101 |
| | At the end of the year | 1011631 | 23.8101 | | |
| 2. | RAJENDER PRASAD GUPTA | | | | |
| | At the beginning of the year | 331544 | 7.8033 | 331544 | 7.8033 |
| | Bought during the Year | 161087 | 3.7915 | 492631 | 11.5948 |
| | Sold during the year | - | - | 492631 | 11.5948 |
| | At the end of the year | 492631 | 11.5948 | | |

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

| Sl. No. | Name of the Shareholders | Shareholding at the beginning of the year as on 01/04/2019 | | Cumulative Shareholding during the year (2019-20) | |
|---------|--|--|----------------------------------|---|--------------------------------------|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total the shares of the company |
| 1 | AMBAA SECURITIES PVT LIMITED | | | | |
| | At the beginning of the year | 2,10,000 | 4.9426 | 2,10,000 | 4.9426 |
| | Bought during the Year | 2,718 | 0.0640 | 2,12,718 | 5.0066 |
| | Sold during the year | 9,945 | 0.2341 | 2,02,773 | 4.7725 |
| | At the end of the year | 2,02,773 | 4.7725 | | |
| 2 | RITESH STOCK BROKING PVT LIMITED | | | | |
| | At the beginning of the year | 1,99,894 | 4.7047 | 1,99,894 | 4.7047 |
| | Bought during the Year | - | - | 1,99,894 | 4.7047 |
| | Sold during the year | - | - | 1,99,894 | 4.7047 |
| | At the end of the year | 1,99,894 | 4.7047 | | |
| 3 | SHIV SHANKAR SECURITIES PVT LIMITED | | | | |
| | At the beginning of the year | 81,628 | 1.9212 | 81,628 | 1.9212 |
| | Bought during the Year | - | - | 81,628 | 1.9212 |
| | Sold during the year | - | - | 81,628 | 1.9212 |
| | At the end of the year | 81,628 | 1.9212 | | |
| 4 | RITESH PROJECTS PRIVATE LIMITED | | | | |
| | At the beginning of the year | 20,619 | 0.4853 | 20,619 | 0.4853 |
| | Bought during the Year | - | - | 20,619 | 0.4853 |
| | Sold during the year | 16 | 0.0004 | 20,603 | 0.4849 |
| | At the end of the year | 20,603 | 0.4849 | | |



| Sl. No. | Name of the Shareholders | Shareholding at the beginning of the year as on 01/04/2019 | | Cumulative Shareholding during the year (2019-20) | |
|---------|--|--|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 5 | PGIM INDIA TRUSTEES PRIVATE LIMITED A/C PGIM INDIA MID CAP OPPORTUNITIES FUND | | | | |
| | At the beginning of the year | - | - | - | - |
| | Bought during the Year | 21,194 | 0.4988 | 21,194 | 0.4988 |
| | Sold during the year | 1,833 | 0.0431 | 19,361 | 0.4557 |
| | At the end of the year | 19,361 | 0.4557 | | |
| 6 | VIVEK MEHROTRA | | | | |
| | At the beginning of the year | 4,453 | 0.1048 | 4,453 | 0.1048 |
| | Bought during the Year | 2,399 | 0.0565 | 6,852 | 0.1613 |
| | Sold during the year | - | - | 6,852 | 0.1613 |
| | At the end of the year | 6,852 | 0.1613 | | |
| 7 | SHAREKHAN LIMITED | | | | |
| | At the beginning of the year | 549 | 0.0129 | 549 | 0.0129 |
| | Bought during the Year | 13,542 | 0.3187 | 14,091 | 0.3316 |
| | Sold during the year | 9,102 | 0.2142 | 4,989 | 0.1174 |
| | At the end of the year | 4,989 | 0.1174 | | |
| 8 | VINODKUMAR HARAKCHAND DAGA | | | | |
| | At the beginning of the year | - | - | - | - |
| | Bought during the Year | 4,512 | 0.1062 | 4,512 | 0.1062 |
| | Sold during the year | - | - | 4,512 | 0.1062 |
| | At the end of the year | 4,512 | 0.1062 | | |
| 9 | MAHESH KAUSHIK | | | | |
| | At the beginning of the year | 4,565 | 0.1074 | 4,565 | 0.1074 |
| | Bought during the Year | 20 | 0.0005 | 4,585 | 0.1079 |
| | Sold during the year | 2,177 | 0.0512 | 2,408 | 0.0567 |
| | At the end of the year | 2,408 | 0.0567 | | |
| 10 | HEMANT GUPTA | | | | |
| | At the beginning of the year | 4,561 | 0.1073 | 4,561 | 0.1073 |
| | Bought during the Year | 2,323 | 0.0547 | 6,884 | 0.1620 |
| | Sold during the year | 6,864 | 0.1620 | - | - |
| | At the end of the year | - | - | | |

Note:The above details are given as on 31st March, 2020. The Company is listed and 97.4049% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders is due to market operations. Further, Company has not allotted /transferred or issued any bonus or sweat equity shares during the year.



v. Shareholding of Directors and Key Managerial Personnel

| Sl. No. | Name of the Shareholders | Shareholding at the beginning of the year as on 01/04/2019 | | Cumulative Shareholding during the year (2019-20) | |
|---------|-------------------------------|--|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1 | SAT NARAIN GUPTA | | | | |
| | At the beginning of the year | 10,28,631 | 24.2103 | 10,28,631 | 24.2103 |
| | Bought during the Year | - | - | 10,28,631 | 24.2103 |
| | Sold during the Year | 17,000 | 0.4001 | 1011,631 | 23.8101 |
| | At the end of the year | 10,11,631 | 23.8101 | | |
| 2 | MAHABIR PRASAD GUPTA | | | | |
| | At the beginning of the year | 4,22,800 | 9.9512 | 4,22,800 | 9.9512 |
| | Bought during the Year | - | - | 4,22,800 | 9.9512 |
| | Sold during the Year | - | - | 4,22,800 | 9.9512 |
| | At the end of the year | 4,22,800 | 9.9512 | | |
| 3 | RAJENDER PRASAD GUPTA | | | | |
| | At the beginning of the year | 3,31,544 | 7.8033 | 3,31,544 | 7.8033 |
| | Bought during the Year | 1,61,087 | 3.7915 | 4,92,631 | 11.5948 |
| | Sold during the Year | - | - | 4,92,631 | 11.5948 |
| | At the end of the year | 4,92,631 | 11.5948 | | |

vi. Indebtedness

| Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Crores) | | | | |
|---|----------------------------------|-----------------|------------|--------------------|
| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 164.15 | 76.76 | Nil | 240.91 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest Accrued but not due | Nil | 6.08 | Nil | 6.08 |
| Total (i+ii+iii) | 164.15 | 82.84 | Nil | 246.99 |
| Change in Indebtedness during the financial year | | | | |
| Addition | Nil | Nil | Nil | Nil |
| Reduction | 136.81 | 16.33 | Nil | 153.14 |
| Net Change | 136.81 | 16.33 | Nil | 153.14 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 27.34 | 59.66 | Nil | 87.01 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest Accrued but not due | Nil | 6.85 | Nil | 6.85 |
| Total (i+ii+iii) | 27.34 | 66.51 | Nil | 93.85 |



vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

| SI. No. | Particulars of Remuneration | Name of Managing Director/Whole time Director/ Manager | | | | | TOTAL |
|---------|--|--|---------------------------|----------------------------|-----------------|-------------------------------|----------------|
| | | Shri Sat Narain Gupta | Shri Mahabir Prasad Gupta | Shri Rajander Prasad Gupta | Shri Ajay Gupta | Shri Kamleshwar Prasad Uniyal | |
| 1 | Gross Salary | | | | | | |
| | a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 21.00 | 15.00 | 12.00 | 62.98 | 42.82 | 153.80 |
| | b) Value of perquisites u/s 17(2) of Income Tax Act, 1961 | 12.00 | - | 0.22 | 3.12 | - | 15.34 |
| | c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961 | - | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - | - |
| 4 | Commission | | | | | | |
| | - as % of profit | 525.84 | 525.84 | 1051.66 | - | - | 2103.34 |
| | - Others, specify | - | - | - | - | - | - |
| 5 | Others (Ex-Gratia) | - | - | - | - | - | - |
| | Total | 558.84 | 540.84 | 1063.88 | 66.10 | 42.82 | 2272.48 |

B. Remuneration to key managerial personnel other than MD/WTD/Manager

(₹ in Lakhs)

| SI. No | Particulars of Remuneration | Key Managerial Personnel | | | Total |
|--------|--|-------------------------------|-------------------------------|--------------------------------|--------------|
| | | Chief Executive Officer (CEO) | Chief Financial Officer (CFO) | Company Secretary Officer (CS) | |
| | | | Sh. Rakesh Verma | Ms. Nikita Chadha | |
| 1 | Gross Salary | | | | |
| | a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | N.A. | 23.14 | 8.59 | 31.73 |
| | b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | N.A. | 0.22 | 0.22 | 0.44 |
| | c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961 | N.A. | - | - | - |
| 2 | Stock Option | N.A. | - | - | - |
| 3 | Sweat Equity | N.A. | - | - | - |
| 4 | Commission | | | | |
| | - as % of profit | N.A. | - | - | - |
| | - Others, specify | N.A. | - | - | - |
| 5 | Others (Ex-Gratia) | N.A. | 0.17 | 0.17 | 0.34 |
| | Total | N.A. | 23.53 | 8.98 | 32.51 |



viii. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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



ANNEXURE TO THE BOARD'S REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES/ INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

1. A brief outline of the Company's CSR Policy, including brief of the projects or programmes proposed to be undertaken

The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of Directors, is available on the Company's website at www.bharatgroup.co.in.

The Company has identified the following causes from a Corporate Social Responsibility perspective:

- 1) Supporting Rural Children's Education including Promoting Education
- 2) Promoting Healthcare
- 3) Any other activities i.e., covered under Schedule-VII of the Companies Act, 2013.

2. The composition of the CSR Committee

The Corporate Social Responsibility Committee shall comprise of the following Directors:

- 1) Shri Mahabir Prasad Gupta, Whole Time Director
- 2) Shri Rajender Prasad Gupta, Whole Time Director
- 3) Smt. Sujata Agarwal, Independent Director

3. Average Net Profit of the Company for last 3 financial years : ₹12235.23 Lakhs

4. Prescribed CSR Expenditure (2% of Amount) : ₹244.70 Lakhs

5. Details of CSR activities/projects undertaken during the year

a) Total amount to be spent for the financial year : ₹244.70 Lakhs

b) Amount un-spent, if any : N.A.

c) Manner in which the amount spent during financial year is detailed below:

| Sr. No | CSR Project | Relevant Section of Schedule-VII in which Project is covered (Note-1) | Projects/ Programmes coverage | Amount outlay (budget) (in ₹) | Amount spent on the project/ programme (in ₹) | Cumulative expenditure upto 31 st March, 2020 (in ₹) | Amount spent Direct/ through implementing agency (in ₹) |
|--------|---|---|-------------------------------|-------------------------------|---|---|---|
| 1. | Promoting Education including Special Education | (ii) | New Delhi | 1,00,00,000 | 1,00,00,000 | 1,00,00,000 | Maharaja Agrasen Technical Education Society* |
| 2. | Promoting Education including Special Education | (ii) | New Delhi | 21,00,000 | 21,00,000 | 21,00,000 | Maharaja Agrasen Hospital Charitable Trust@ |



| Sr. No | CSR Project | Relevant Section of Schedule-VII in which Project is covered (Note-1) | Projects/ Programmes coverage | Amount outlay (budget) (in ₹) | Amount spent on the project/ programme (in ₹) | Cumulative expenditure upto 31 st March, 2020 (in ₹) | Amount spent Direct/ through implementing agency (in ₹) |
|--------------|---|---|-------------------------------|-------------------------------|---|---|---|
| 3. | Promoting Education including Special Education | (ii) | New Delhi | 55,00,000 | 55,00,000 | 55,00,000 | Lord Chaitanya Educational Society# |
| 4. | Promoting Education including Special Education | (iii) | New Delhi | 21,00,000 | 21,00,000 | 21,00,000 | Param Shakti Peeth, Delhi\$ |
| 5. | Promoting Education including Special Education | (ii) | New Delhi | 50,00,000 | 50,00,000 | 50,00,000 | Dreamland Society^ |
| Total | | | | | | 2,47,00,000 | |

*Maharaja Agrasen Technical Education Society having its office at Keshav Kunj, Road No. 4, House No. 10, East Punjabi Bagh, New Delhi-110026, which is registered with the Commissioner of Income Tax under Section 12A of the Income Tax Act, 1961. The Educational Society promotes the quality education in the field of Technology, Management, Law, Pharmacy and Health Services to shape the human society for a better future.

@Maharaja Agrasen Hospital Charitable Trust having its office at Rohtak Road, West Punjabi Bagh, New Delhi-110026, which is registered with the Commissioner of Income Tax under Section 12A of the Income Tax Act, 1961. The said Charitable Trust promotes the quality education in the field of Health Services to shape the human society for a better future.

#Lord Chaitanya Educational Society having its office at Plot No. 3, Pocket-7, Sector-22, Rohini, New Delhi- 110085, which is registered with the Commissioner of Income Tax under Section 12A of the Income Tax Act, 1961. The Educational Society promotes the educating the society on various educational lines and convince the people of society about the benefits of education.

\$Param Shakti Peeth, having its office at LUV 102, Agrasen Avas, 66, IP Extn., Delhi-110092, which is registered with the Commissioner of Income Tax under Section 12A of the Income Tax Act, 1961. The Param Shakti Peeth supports the Gokulam Families at Vatsalayangram, Vrindavan, for their better future.

^Dreamland Society having its office at NS-10, Pocket-L, Sarita Vihar, Delhi-110076, which is registered with the Commissioner of Income Tax under Section 12A of the Income Tax Act, 1961. The Dreamland Society promotes the educating the society on various educational lines and convince the people of society about the benefits of education.



6. A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf of the Board
M/s Bharat Rasayan Limited

Sd/-
(SAT NARAIN GUPTA)
Chairman & Managing Director
DIN: 00024660

Sd/-
(MAHABIR PRASAD GUPTA)
Chairman of CSR Committee
DIN: 00014681

NEW DELHI,
AUGUST 13, 2020



ANNEXURE TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March, 2020

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

To,

**The Members,
Bharat Rasayan Limited
1501, Vikram Tower, Rajendra Place,
New Delhi-110008.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bharat Rasayan 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 31st March, 2020 ('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 **Bharat Rasayan Limited** for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and 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; **(Not applicable to the Company during the Audit Period)**;
 - (d) The Company has complied with the provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.



- (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**; and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**
- (vi) Other laws applicable to the Company as per the representations made by the Company including.
 - (a) Insecticides Act, 1968;
 - (b) Factory Act, 1948 and Rules made thereunder;
 - (c) Industrial Employment (Standing Orders) Act, 1946 and Rules 1957;

We have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) The Listing Agreement entered into by the Company with Stock Exchanges.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

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

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.

For **MAMTA JAIN & ASSOCIATES**
Practicing Company Secretaries
Sd/-
(MAMTA JAIN)
FCS No.: 2794
C P No.:1686

NEW DELHI
AUGUST 13, 2020

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



'APPENDIX A'

To,

**The Members,
Bharat Rasayan Limited
1501, Vikram Tower, Rajendra Place,
New Delhi-110008.**

Our report of even date is to 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 process 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 process and practice, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure 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 **MAMTA JAIN & ASSOCIATES**

Practicing Company Secretaries

Sd/-

(MAMTA JAIN)

FCS No.: 2794

C P No.:1686

**NEW DELHI
AUGUST 13, 2020**



ANNEXURE TO THE BOARD'S REPORT

Form No. AOC-2

*(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014)*

DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013, INCLUDING CERTAIN ARM'S LENGTH TRANSACTIONS UNDER THIRD PROVISIO THERETO:

1. Details of material contracts or arrangement or transactions at arm's length basis

Bharat Rasayan Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2019-20.

| Name of Related Party | Nature of Relationship | Duration of Contract | Salient terms of Contract | Amount (₹ in Crores) |
|------------------------------|-------------------------------|-----------------------------|----------------------------------|-----------------------------|
|------------------------------|-------------------------------|-----------------------------|----------------------------------|-----------------------------|

NATURE OF CONTRACT

1) Sale of Goods

| | | | | |
|-----------------------------|--|------------------------|-------------------------------|--------|
| Bharat Insecticides Limited | Group Entity (Common Directorship) | Financial Year 2019-20 | Based on Arm's length pricing | 42.16 |
| B R Agrotech Limited | Group Entity (Common Directorship) | Financial Year 2019-20 | Based on Arm's length pricing | 116.44 |
| Bharat Agrochem LLP | Common Board of Directors are partners in Firm | Financial Year 2019-20 | Based on Arm's length pricing | 6.64 |

2) Purchase of Goods

| | | | | |
|-----------------------------|------------------------------------|------------------------|-------------------------------|-------|
| Bharat Insecticides Limited | Group Entity (Common Directorship) | Financial Year 2019-20 | Based on Arm's length pricing | 18.17 |
| B R Agrotech Limited | Group Entity (Common Directorship) | Financial Year 2019-20 | Based on Arm's length pricing | 11.32 |

3) Rent Paid

| | | | | |
|-----------------------------|------------------------------------|------------|-------------------------------|------|
| Bharat Insecticides Limited | Group Entity (Common Directorship) | Continuing | Based on Arm's length pricing | 0.06 |
|-----------------------------|------------------------------------|------------|-------------------------------|------|



ANNEXURE TO THE BOARD'S REPORT

STATEMENT OF DISCLOSURE OF REMUNERATION

*Under Section 197 of Companies Act, 2013, and Rule 5(1) of
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014*

- (a) Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2018-19, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the financial year 2019-20.

| Sl. | Name of Director/KMP | Designation | Ratio of Remuneration of each Director to median remuneration of Employees | Percentage Increase/(Decrease) in Remuneration |
|-----|-------------------------------|------------------------------|--|--|
| 1 | Shri Sat Narain Gupta | Chairman & Managing Director | 14849:1 | 31.89% |
| 2 | Shri Mahabir Prasad Gupta | Whole Time Director | 14371:1 | 33.30% |
| 3 | Shri Rajender Prasad Gupta | Whole Time Director | 28269:1 | 34.05% |
| 4 | Shri Ajay Gupta | Whole Time Director | 1756:1 | 14.26% |
| 5 | Shri Kamleshwar Prasad Uniyal | Whole Time Director | 1138:1 | N.A. |
| 6 | Shri Rakesh Verma | Chief Financial Officer | Not Applicable | 9.72% |
| 7 | Ms. Nikita Chadha | Company Secretary | Not Applicable | 21.28% |

Notes:

- (a) Based on Salary of those persons who were employed during whole of the year.
- (b) The percentage increase in the median remuneration of Employees for the financial year was 6%.
- (c) The Company has 487 permanent employees on the rolls of Company as on 31st March, 2020 who have worked for twelve (12) months.
- (d) Relationship between average increase in remuneration and Company's performance:
On an average, employees received an increase of 13.26%. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects Company performance, the performance pay is linked to organization performance.
- (e) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

**On behalf of the Board
For Bharat Rasayan Limited**

**Sd/-
(SAT NARAIN GUPTA)**
Chairman & Managing Director
(DIN: 00024660)

**NEW DELHI,
AUGUST 13, 2020**



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ECONOMY

The Indian economy registered a growth of 4.2% in Financial Year ('FY') 2019-20, much lower than the 6.1% in FY 2018-19 (Source: IMF). Wage stagnation, job losses, rising rural unemployment rates, stressed non-banking financial companies and decline in credit growth caused a sharp drop in domestic demand. On the supply side, excess idle production capacity and lower private investments further dragged down economic activity. The Government of India undertook initiatives such as liberalising sectors to attract foreign direct investments, upfront capital infusion in public sector banks to alleviate liquidity concerns and reducing corporate tax rates to revive private investments. The Reserve Bank of India ('RBI') provided a monetary stimulus by slashing the repo rate to 5.15%, a cut of 135 basis points in FY 2019-20, to boost demand and private consumption.

GLOBAL ECONOMY

The global economy in Calendar Year ('CY') 2019 has seen one of the slowest growth rates since the 2008 financial crisis. The International Monetary Fund ('IMF') estimates that the global GDP ('Gross Domestic Product') may have registered 2.9% growth in CY 2019, significantly lower than 3.6% in CY 2018, and that there will be a negative growth of 3% in CY 2020. A slowdown had been anticipated early in the financial year, because of the US-China trade relations, concerns over Brexit and the consequent stress on the global manufacturing and trade. Country-specific shocks such as liquidity crisis in the Indian banking sector and flooding in eastern Africa pulled down the performance of emerging market economies. Climate-related disasters, ranging from hurricanes in the Caribbean to drought and bushfires in Australia also affected global business sentiments.

The biggest calamity was the outbreak of coronavirus in the beginning of CY 2020, which grew from a local problem in China to a global pandemic in a matter of weeks in early CY 2020. Lockdowns in most of the affected countries saved lives but were a huge blow to economic activities and the impact will be felt for a long time to come. To counter the losses and prevent a complete economic breakdown, governments and central banks around the world have unleashed unprecedented amounts of fiscal and monetary support. Nonetheless, warning of a recessionary effect was issued by top analysts.

INDIAN AGROCHEMICAL INDUSTRY

The share of agriculture and allied sectors in the Gross Value Added ('GVA') of the country at current prices has declined from 18.2% in FY 2014-15 to 16.5% in FY 2019-20. Despite the decline, it continues to be the largest source of livelihood for about 58% of India's population and its growth ensures inclusive economic growth of the country.

Agriculture inputs play a decisive role in enhancing crop production. With arable land declining, production of crops can only be increased by using quality inputs through a scaled-up country-wide effort. Concerted efforts are being taken to transform agriculture, improve farm productivity and farmer prosperity, achieve food security and environmental sustainability.

Agrochemicals are chemicals that help boost crop productivity through prevention of destruction of crops by pests such as insects, weeds, fungus, etc. The global economy, in general, and Indian, in particular, is facing a multitude of challenges such as to feed an evergrowing population, reducing arable land bank and dealing with adverse climatic changes. Under such circumstances, the traditional methods of growing more crops are rendered inadequate. There is a growing acceptance to launch advanced agrochemical solutions to achieve higher field productivity.

Agriculture which contributes to 16.5% of the GDP and provides employment to nearly half of the country's population, plays an important role in the Indian economy. India is a leading farm producer as well as an exporter of many agro commodities. Its agro economy faces multiple challenges which is



reflected in the relatively lower productivity compared to the advanced economies of the world. Science provides solutions to address some of these challenges and in turn, these provide opportunities for businesses involved in agriculture inputs.

Indian agriculture is on a growth path, with an increase in investments and private funding in the past few years. The sector is expected to grow with better momentum in the next few years, owing to an increase in investment in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Factors such as reduced transaction costs, time, better port gate management and fiscal incentives will also contribute to this upward trend. Furthermore, the increased use of genetically modified crops is also expected to better the yield of the Indian farmers.

IMPACT OF CLIMATIC CHANGES ON AGRICULTURAL PRODUCTION

According to the India Meteorological Department ('IMD'), CY 2019 was India's seventh warmest year since nation-wide records commenced in CY 1901. India's annual rainfall in CY 2019 was 109% of the Long Period Average ('LPA') rainfall (in the 50 years from 1961-2010), as against only 91% of the LPA in CY 2018. Production of most crops was estimated to be higher in FY 2019-20 than their average annual production on account of the favourable monsoon during the year. The 2nd Advance Estimates released by the Department of Agriculture Cooperation and Farmers Welfare, estimated the total Foodgrain production in India at a satisfactory level of 291.95 Million Tonnes ('MT') in FY 2019-20. This was 7 MT higher than the country's output at 284.95 MT (as per the 4th Advance Estimates) in FY 2018-19 and 26.20 MT higher than the previous five years' average production. The Government of India has announced several pro-farmer initiatives to double farmers' income by 2022 and provide growth impetus to the agriculture sector. These include the Pradhan Mantri Kisan Maan Dhan Yojana ('PM-KMY'), Pradhan Mantri Kisan Samman Nidhi ('PM-KISAN'), the e-NAM portal to promote 'One Nation One Market', Direct Cash Benefit Transfer, and growth impetus to horticulture.

INDUSTRY OVERVIEW

The global agricultural input market is expanding rapidly on account of growing food demand from a world population that is estimated to reach approx. 10 billion by 2050. The rising population, coupled with declining arable land, is significantly changing farming practices to achieve higher yield per acreage. Crop care and crop protection markets worldwide are adapting to these changing needs and playing an important role in improving farm productivity, environmental sustainability and farmer prosperity.

IRRIGATION INDUSTRY

Only 20% of the total cultivated land globally is irrigated, but it contributes 40% of the entire food produced worldwide. Irrigated farming is twice as productive as conventional methods per unit of land. Since agriculture has 70% share of water withdrawals globally, efficient and effective water management continues to be a core factor in sustainable farming operations. This has made irrigation a key priority for several economies.

OUTLOOK

A global economic recovery depends to a great extent on the pandemic being brought under control, containment measures being scaled back and trade and manufacturing activities being gradually restored without causing a second wave of contagion. The IMF estimates the world economy to decline by 3% in CY 2020 followed by a recovery and growth of 5.8% in CY 2021. The shape and speed of recovery in the United States ('US') and China will be the key to determining the nature and traction of the global economic recovery.

CROP PROTECTION INDUSTRY

Crop protection chemicals play a critical role in maintaining and enhancing agricultural output by minimising plant diseases, weeds and pest damages to crops. The global crop protection industry stood at US\$ 65.59 billion in CY 2019, recording a growth of 0.8% over CY 2018 level of US\$ 65.09 billion. Brazil and Argentina have been the biggest markets for crop protection worldwide.



Crop protection chemicals play a major role in increasing agriculture productivity. They help in minimising plant diseases, weeds, and other pests that damage agriculture crops, and thus increasing and maintaining year-on-year crop yield. Around 25% of the global crop output is lost due to attacks by pests, weeds and diseases. India is the 4th largest producer of agrochemicals, after the US, Japan and China. In India, better timing and spatial distribution of rainfall, higher pest incidence, and steps by the Government to improve farm income are expected to increase the application of agrochemicals. The industry faces several challenges due to strict environmental regulations. Crop protection comprises of insecticides, fungicides, herbicides and bio-pesticides. India's pesticides consumption is currently one of the lowest in the world among other economies.

EFFLUENT MANAGEMENT

We have installed effluent treatment plant. All effluents generated at plant are segregated into hazardous and non-hazardous categories and they are effectively treated, recycled and reused, wherever possible.

RESEARCH & DEVELOPMENT

Being actively engaged in product and process development activities across various segments of its businesses, Research & Development (R&D) is an integral part of the Company's operations. We have dedicated R&D plant at Bahadurgarh, Haryana is certified by the Ministry of Science and Technology, Government of India with pilot plant having a qualified team. We also have R&D Plant at Dahej, Gujarat having NABL Certification from National Accreditation Board for Laboratories as a certified research lab, alongwith Pilot plant. Both the plants are working round the clock working on new chemistries.

QUALITY

In addition to ISO 9001:2015 for Quality Management, the professional commitments of high order have earned the rating of ISO 14001:2015 for Environment Management System and also ISO 45001:2018 Certification for Occupational Health & Safety norms. The Company is also registered with global mercantile data compiler and rating agency Dun & Bradstreet.

BUSINESS PERFORMANCE

Your Company has highly qualified and dedicated team of professionals in various work profile to focus on quality improvement in existing products, marketing the products to prevailing customers and exploring new domestic and overseas customers for the Company. Your Company achieved a turnover of ₹ 1231.87 crores registering an increase of about 23.84% over previous year turnover of ₹ 994.69 crores and earned a Profit before Tax (PBT) of ₹ 205.19 crores and Profit after Tax (PAT) of ₹ 157.64 crores.

Apart from loyal customer base that the Company is enjoying since last several years now, many more new domestic as well as overseas customers are added to the portfolio of the Company during the year & same is expecting to increase in near future due to Company's commitment of supplying high quality product in a time bound manner.

Moving ahead, the Company remains poised to implement key initiatives across functions to enable itself to face market challenges and leverage the emerging opportunities. It remains focused on improving revenue growth and profitability, driven by high growth segments such as seeds and nutrients.

EXPENSES

The Company's total expenses (excluding depreciation and finance cost) increased by 22.59% from ₹806.84 crores in FY 2018-19 to ₹989.11 crores in FY 2019-20. Major expense items of the Company comprise cost of material consumed, purchase of stock-in-trade, power and electricity, freight & forwarding outward, employee benefits expenses.

Cost of materials consumed increased by 8.98% from ₹724.90 crores in FY 2018-19 to ₹789.99 crores in FY 2019-20 owing to increase in major raw material prices.



Power and Electricity expenses increased by 24.57% from ₹19.33 crores in FY 2018-19 to ₹24.08 crores in FY 2019-20, largely due to increase in prices of utilities.

Employee benefit expenses increased by 20.45% from ₹57.36 crores in FY 2018-19 to ₹69.09 crores in FY 2019-20 owing to increase coming from annual increment and new recruitment.

Finance costs decreased by 1.26% from ₹15.82 crores in FY 2018-19 to ₹15.62 crores in FY 2019-20.

RISKS AND CONCERNS

The Covid-19 outbreak with its disruptive effects on global manufacturing and trade would continue to pose challenges for the Company's operations in FY 2020-21, and it may affect offtake of the Company's products and exert pressures on its margins. However, following the Government's declaration of agriculture as an essential service, the Company has resumed its operations and does not foresee material impact on its business due to the relaxing of lockdown norms.

Risk management comprises all the organizational rules and actions for early identification of risks in the course of doing business and the management of such risks along with identification of opportunities.

Despite the strong growth drivers, Indian agrochemicals industry faces challenges in terms of low awareness among large number of end users spread across the geography. Managing inventory and distribution costs is a challenge for the industry players in the wake of volatility in business environment.

The performance of the crop protection industry and other agri-inputs is dependent on monsoons, pest and disease incidences on crops. As this year's monsoon failure has shown, major fluctuations in total rainfall and its distribution affect the crop acreages and overall productivity and have a direct correlation with sales. Agrochemical companies face issues due to seasonal nature of demand, unpredictability of pest attacks and high dependence on monsoons.

Compliance to growing regulatory norms is a continuing requirement and could lead to delays in obtaining necessary approvals. Changes in guidelines or policies in various geographies may also lead to sudden disruption of business in specified products.

The Company's Internal Audit department plays a critical role in co-ordinating with various department heads to ensure strict adherence to processes established for key business risk identification. It recommends corrective actions to improve the Company's processes pertaining to risk identification and risk handling and ensures adequate mitigating measures are in place. The Company continuously reviews emerging risks such as global consolidation in the crop protection industry, regulatory changes and a probable ban on select active ingredients. These risks are also opening up new opportunities for the Company to grow and it continues to focus on developing novel, effective and compliant products and formulations to tap these emerging opportunities.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has created internal control systems which are commensurate with the size, scale and complexity of its operations. The Company has also identified entity level controls for the organization, covering integrity and ethical values, adequacy of audit and control mechanisms and effectiveness of internal and external communication, thereby strengthening the internal controls systems and processes with clear documentation on key control points. The internal controls are formulated and implemented by the management with an objective to achieve efficiency in operations, optimum utilization of resources and effective monitoring and compliance with applicable laws.

HUMAN RESOURCES DEVELOPMENT

The Company invested in a strong workforce and working environment to report sustainable growth, reflected in the continuous improvement in operating processes and new product introduction. The Company believes in a performance-driven culture.



The Company organized training programmes based on emerging requirements, covering technical, behavioral, customer orientation, safety, code of ethics, product training and other needs. The Company continued to recruit skilled scientific, technical and managerial personnel.

CAUTIONARY STATEMENT

Certain Statements made in this report relating to Company's objectives, outlook, future plans etc. may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual performance may differ materially from such estimates or projections, whether express or implied. Important factors that could make a difference to the Company's operations; include Government Regulations, Tax regimes, Economic developments within India and countries in which the company conducts business and other allied factors.



CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Corporate Governance is all about maximizing the shareholders' value on a sustainable basis while ensuring fairness to all stakeholders, customers, vendors, investors, employees, government and society.

Your Company is committed to define, follow, practice, achieve and maintain the highest level of corporate governance in all its business functions. Your Company believes in the concept of good corporate governance involving transparency, empowerment, account ability, equity and integrity with a view to enhance stakeholder's value in order to achieve its vision and mission. Your Company's Corporate Governance framework ensures to make timely disclosures and share accurate information regarding the financials and performance, as well as disclosures related to leadership and governance of the Company. Your Company believes that an active, well informed and independent board is necessary to ensure the highest standards of corporate governance.

At Bharat Rasayan Limited, the Board of Directors (the Board) are at the core of the corporate governance practice. The Board thus oversees the Management's functions and protects the long term interest of its stakeholders. As on March 31, 2020 the Board consists of ten members out of which five are independent directors.

The Company has adopted practices as mandated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges and has established procedures and systems to be fully compliant with the Regulations.

The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule-V and clauses (b) to (i) of Corporate Governance Report sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as applicable, with regard to Corporate Governance.

2. BOARD OF DIRECTORS

The Board of Directors (the Board) which consists of eminent persons with considerable professional expertise and experience provides leadership and guidance to the management, thereby enhancing stakeholders' value.

(A) Composition of the Board

The Board of Directors, as on 31st March, 2020, comprises of Ten Directors out of whom five are Executive Directors and five are Non-Executive and Independent Directors. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees.

All Directors are individuals of integrity and courage, with relevant skills and experience to bring judgment to bear on the business of the Company.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2020 are given herein below .



| Name of the Directors | Attendance at the Meeting held during the year 2019-20 | | Number of Board Members* | Number of Committee positions held as | |
|---|--|-----------------------------|--------------------------|---------------------------------------|--------|
| | Board Meeting (Out of 5 held) | Last AGM Held on 25.09.2019 | | Chairman | Member |
| Executive Directors | | | | | |
| Shri Sat Narain Gupta Chairman & Managing Director | 5 | Yes | 4 | 1 | Nil |
| Shri Mahabir Prasad Gupta Whole Time Director | 5 | Yes | 3 | 2 | 2 |
| Shri Rajender Prasad Gupta Whole Time Director | 4 | Yes | 3 | Nil | 4 |
| Shri Ajay Gupta | 2 | No | 1 | Nil | Nil |
| Shri Kamleshwar Prasad Uniyal | 3 | Yes | 1 | Nil | Nil |
| Non-Executive & Independent Directors | | | | | |
| Shri Pankaj Gupta | 4 | Yes | 3 | 1 | 2 |
| Shri Ram Kanwar | 4 | No | 1 | Nil | Nil |
| Smt. Sujata Agarwal | 3 | Yes | 3 | Nil | 3 |
| Shri Suresh Kumar Garg | 3 | Yes | 1 | Nil | 1 |
| Shri Rajesh Gupta | 5 | Yes | 1 | 2 | Nil |

*Number of Directorships includes Board Memberships held in our Company as well as in other companies excluding alternate directorship, directorship in Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

(B) Board Meetings

The Board meets at regular intervals to review the performance of the Company. The Board of Directors met 5 times during the year ended March 31, 2020. The dates of the said Board Meetings were 30.05.2019, 14.08.2019, 30.09.2019, 14.11.2019 and 14.02.2020 respectively. It was ensured that the gap between any two Board Meetings did not exceed four months. The necessary quorum was present for all the meetings.

(C) Code of Conduct

The Board of Directors of the Company has adopted a Code of Conduct that set out the fundamental standards to be followed in all actions carried out on behalf of the Company, copy of which is also available on the Company's website, i.e. www.bharatgroup.co.in.

All the Directors and Senior Management Personnel of the Company are bound by the Code of Conduct and have affirmed compliance with the said Code for the year ended March 31, 2020. A declaration to this effect signed by the Chairman & Managing Director also forms part of this report.

During the year 2019-20, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.



3. BOARD COMMITTEES

3.1 Committee of Board of Directors

The Board is authorised to constitute Committees and delegate to them few powers and duties with respect to specific purposes as defined in various Sections of the Companies Act, 2013. The Board has constituted one such Committee, i.e. Committee of Directors under the Chairmanship of Shri Sat Narain Gupta, Chairman & Managing Director of the Company. The meetings of the said Committee are held as and when need arises.

(A) Composition

As on March 31, 2020, the Committee comprises of Shri Sat Narain Gupta as its Chairman, Shri Mahabir Prasad Gupta and Shri Rajender Prasad Gupta as its members.

(B) Terms of Reference

The major role and terms of reference of the Committee is to deliberate and decide upon all such urgent matters, which cannot wait till convening of next Board Meeting. All decisions of the Committee are placed before the Board for noting and ratification by the Board in its next meeting.

(C) Meetings and Attendance

During the year 2019-20, Nine (9) meetings of the Committee of Board of Directors were held. The dates of the said meetings were 04.04.2019, 03.06.2019, 23.06.2019, 20.09.2019, 12.12.2019, 06.02.2020, 18.02.2020, 24.02.2020 and 09.03.2020. The requisite quorum was present at every meeting of the Committee of Board of Directors.

The composition of the Committee of Board of Directors and attendance at the meetings held during the year are given herein below:

| S. No. | Name of the Members | Meetings Attended (out of 9 held) |
|--------|----------------------------|-----------------------------------|
| 1. | Shri Sat Narain Gupta | 8 |
| 2. | Shri Mahabir Prasad Gupta | 9 |
| 3. | Shri Rajender Prasad Gupta | 7 |

3.2 Audit Committee

(A) Composition

During the year under review, the Audit Committee comprised of majority of Non-Executive and Independent Directors with Shri Rajesh Gupta as the Chairperson of the Committee alongwith Shri Pankaj Gupta and Shri Rajender Prasad Gupta as its members. The Chairperson and all members of the Committee are financially literate and have relevant financial and accounting expertise.

The Company Secretary of the Company acts as the Secretary to the Audit Committee.

(B) Terms of Reference

The Audit Committee is entrusted with the responsibility to supervise the Company's internal control and financial reporting process and inter alia performs the following functions:

- Overviewing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment, remuneration and terms of appointment of auditors of the Company and approving the payment to statutory auditors for any other services rendered by the statutory auditors;



- c) Reviewing, with the management, the annual financial statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Clause (c) of sub-section 3 of Section 134 of the Act 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Qualifications, if any, in the audit report.
- d) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- e) Approving or subsequently modifying any transactions of the Company with related parties;
- f) Scrutinizing the inter-corporate loans and investments;
- g) Reviewing valuation of undertakings or assets of the Company, wherever it is necessary;
- h) Evaluating internal financial controls and risk management systems;
- i) Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
- j) 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;
- k) Discussing with internal auditors of any significant findings and follow up thereon;
- l) 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;
- m) Discussing 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;
- n) Reviewing the functioning of the Whistle Blower mechanism;
- o) Approving the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications and experience; and
- p) In addition, reviewing of such other functions as envisaged under Section 177 of the Act 2013, and the Listing Regulations.



The matters reviewed and recommended in the meetings of the Audit Committee were apprised to the Board by the Chairperson of the Audit Committee, for its approval. All the recommendations were accepted by the Board.

(C) Meetings and Attendance

During the year 2019-20, four (4) meetings of the Audit Committee were held. The dates of the said meetings were 30.05.2019, 14.08.2019, 14.11.2019 and 14.02.2020 respectively. The requisite quorum was present at every meeting of the Audit Committee. The attendance of the members at the said meetings are as follows:

| S. No. | Name of the Members | Meetings Attended (out of 4 held) |
|--------|----------------------------|-----------------------------------|
| 1. | Shri Rajesh Gupta | 4 |
| 2. | Shri Pankaj Gupta | 4 |
| 3. | Shri Rajender Prasad Gupta | 3 |

3.3. Nomination & Remuneration Committee

(A) Composition

The Nomination and Remuneration Committee of Directors (NRC) comprises of Shri Rajesh Gupta as the Chairperson of the Committee alongwith Shri Pankaj Gupta and Shri Suresh Kumar Garg as Members of the Committee.

The Company Secretary of the Company acts as the Secretary to the Committee.

(B) Terms of Reference

- Guiding the Board for laying down the terms and conditions in relation to appointment and removal of Director(s), Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) of the Company.
- Evaluating the performance of the Director(s) and providing necessary report to the Board for its further evaluation and consideration.
- Retaining, motivating and promoting talent among the employees and ensuring long term sustainability of talented SMP by creation of competitive advantage through a structured talent review.
- Devising a policy on diversity in the Board.
- Develop a succession plan for the Board and SMP.

(C) Meetings and Attendance

During the year under review, three (3) meetings of Nomination & Remuneration Committee were held on 30.05.2019, 14.08.2019 and 14.02.2020 respectively. The attendance of the members at the said meetings are as follows:

| S.No. | Name of the Members | Meetings Attended (out of 3 held) |
|-------|------------------------|-----------------------------------|
| 1. | Shri Rajesh Gupta | 3 |
| 2. | Shri Pankaj Gupta | 3 |
| 3. | Shri Suresh Kumar Garg | 3 |



(D) Remuneration Policy

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013, read along with the applicable Rules thereto and Listing Regulations, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

3.4. Stakeholders Relationship Committee

(A) Composition

The Stakeholders Relationship Committee has been constituted under the Chairmanship of a Non-Executive & Independent Director to look into the redressal of complaints of investors such as delay in transfer and/or transmission of shares or non-receipt of dividend etc. The said Committee comprises of Shri Pankaj Gupta as its Chairperson and Shri Mahabir Prasad Gupta and Smt. Sujata Agarwal as its Members.

The Company Secretary acts as the Compliance Officer of the Company.

(B) Meetings and Attendance

During the financial year ended March 31, 2020, the Committee met four (4) times on 08.04.2019, 04.07.2019, 04.10.2019 and 08.01.2020. The attendance of the members at the meetings is as follows:

| S. No. | Name of the Members | Meetings Attended (out of 4 held) |
|---------------|----------------------------|--|
| 1 | Shri Pankaj Gupta | 4 |
| 2 | Shri Mahabir Prasad.Gupta | 4 |
| 3 | Smt. Sujata Agarwal | 4 |

(C) Terms of Reference

The Stakeholders Relationship Committee, inter-alia, looks into Investors' Complaints/ Grievances relating to the transfer/transmission of shares, non-receipt of dividend, non-receipt of share certificates, issue of duplicate share certificates and other miscellaneous requests/ complaints. The Committee also oversees and review performance of the Registrar and Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services.

(D) Details of Complaints received and resolved

During the year under review, the Committee noted that a total of Seventy One (71) Complaints were received from the investors and 70 complaints out of them were resolved to the full satisfaction of the investors of the Company. There was one complaint remain unresolved at the end of the financial year 2019-20.

The Committee addresses all the complaints, suggestions and grievances expeditiously and replies are sent/issues are resolved within 15 days of their receipt except in case of dispute over facts or other legal constraints. The Company ensures timely and prompt submission of its response to the queries/clarifications sought by the Stock Exchanges, Investors and the Securities and Exchange Board of India (SEBI) from time to time.

(E) Transfer of Unclaimed Dividend to IEPF

Pursuant to provisions of Companies Act, 2013 all unclaimed / unpaid dividend remaining unclaimed/ unpaid for a period of seven years from the date they became due for payment have been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government. No claim shall be entertained against the IEPF or the Company for the amounts so transferred.



3.5. Share Transfer Committee

(A) Composition

For instant processing of investors request relating to the transfer, transmission and dematerialization of shares, the Board has constituted a Share Transfer Committee. The said Committee comprises of Shri Mahabir Prasad Gupta as its Chairperson and Shri Rajender Prasad Gupta and Smt. Sujata Agarwal as its Members. The Committee meets as often as required to transact the cases related to transfer, transmission and dematerialization of shares.

(B) Terms of Reference

The role and terms of reference of the Share Transfer Committee is to give approval of request for transfer and transmission of physical shares, deletion of name in case of joint shareholder of physical equity shares of the Company and also to deal with the request of dematerialization & rematerialisation of shares lodged with the Company/Registrar and Transfer Agent.

(C) Meetings

During the year, the Committee had met on 07.05.2019, 21.05.2019, 10.07.2019, 20.07.2019, 10.08.2019, 20.08.2019, 10.09.2019, 20.09.2019, 14.11.2019, 14.02.2020, 20.03.2020.

3.6. Corporate Social Responsibility (CSR) Committee

(A) Composition and Meetings

Shri Mahabir Prasad Gupta, Shri Rajender Prasad Gupta and Smt. Sujata Agarwal are members of CSR Committee. During the year the members of committee had met on 30.08.2019, 14.10.2019, 11.11.2019 and 17.01.2020.

(B) Terms of Reference

- To formulate and recommend to the Board, a CSR Policy and the activities to be undertaken by the Company as per Schedule VII of the Companies Act, 2013;
- To recommend amount of expenditure on CSR activities;
- To monitor CSR Policy of the Company.

3.7. Independent Directors' Meeting

As required under the provisions of the Companies Act, 2013, the Independent Directors of the Company i.e. Shri Pankaj Gupta, Shri Ram Kanwar, Smt. Sujata Agarwal, Shri Suresh Kumar Garg and Shri Rajesh Gupta met once in a year i.e. on 13.03.2020 to evaluate the performance of Non-Independent Directors including Chairman of the Board as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations.

3.8 Skills, Expertise and Competencies of the Board

The Board of Directors has, based on the recommendations of the Nomination and Remuneration Committee ('NRC'), identified the following core skills/expertise/competencies of Directors as required in the context of business of the Company for its effective functioning:

- Leadership experience in managing companies and associations including general management;
- Industry experience including its entire value chain and indepth experience in corporate strategy and planning;
- Expertise in the field of science and technology given the Company's focus on research and innovation as well as knowledge in the field of Information Technology and digitalization;



- Experience in finance, tax, risk management, legal, compliance and corporate governance;
- Experience in human resources and communication;
- Relevant experience and knowledge in the matters of Safety and Corporate Social Responsibility including environment, sustainability, community and values; and
- Having multiple geography and cross-cultural experience.

3.9 Board and Director Evaluation and Criteria for Evaluation

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its Committees.

The NRC has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Evaluation of Board, Individual Directors and Committees include, inter alia, the following:

| Board Evaluation | Evaluation of Individual Directors | Committee Evaluation |
|--|---|---|
| Board Structure - qualifications, experience and competencies | Professional qualifications and experience | Mandate and composition |
| Board Diversity | Knowledge, skills and competencies | Effectiveness of the Committee |
| Meetings - regularity, frequency, agenda, discussion and recording of minutes | Fulfillment of functions, ability to function as a team | Structure of the Committee |
| Functions - strategy, governance, compliances, evaluation of risks, stakeholder value and responsibility, conflict of interest | Attendance | Meetings - regularity, frequency, agenda, discussion and dissent, recording of minutes |
| Independence of management from the Board, access of Board and management to each other | Commitment, contribution, integrity and independence | Independence of the Committee from the Board and contribution to decisions of the Board |
| Succession plan and professional development | In addition to the above, the Chairman of the Board Meetings is also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer meetings, impartiality and ability to keep shareholders' interests in mind. | - |



4. GENERAL BODY MEETINGS

The details of the Annual General Meetings held during the past three years and the Special Resolutions passed thereat are given below:

| Financial Year ended | Date and Time | Venue | Special Resolution(s) passed |
|----------------------|--------------------------|---|--|
| March 31, 2019 | 25.09.2019 10:30 A.M. | Apsara Grand Banquets A-1/20B, Paschim Vihar, Rohtak Road, New Delhi- 110063 | <ul style="list-style-type: none"> • Revision in the Remuneration of Shri Abhaykumar Rajendrakumar Sharma (DIN: 07780742), Former Whole Time Director / Executive Director of the Company • Revision in the Remuneration of Shri Ajay Gupta (DIN: 02187741), Whole Time Director / Executive Director of the Company • Reappointment and Fixing of Remuneration of Shri Sat Narain Gupta (DIN:00024660), Chairman & Managing Director of the Company and approval of continuation of Shri Sat Narain Gupta as Chairman & Managing Director after attaining age of 70 years • Reappointment and Fixing of Remuneration of Shri Mahabir Prasad Gupta (DIN:00014681), Whole Time Director of the Company • Reappointment and Fixing of Remuneration of Shri Rajender Prasad Gupta (DIN:00048888), Whole Time Director of the Company • Reappointment of Shri Abhaykumar Rajendrakumar Sharma (DIN:07780742) as an Executive Director / Whole Time Director designated as "Director (Operations)" and "Key Managerial Personnel" of the Company for its unit located at Mokhra (Haryana) • Revision in the Remuneration of Shri Ajay Gupta (DIN:02187741), Whole Time Director / Executive Director of the Company • Reappointment of Shri Ajay Gupta (DIN:02187741) as an Executive Director/ Whole Time Director designated as "Director (Operations)" and "Key Managerial Personnel" of the Company for its unit located at Dahej (Gujarat) • Appointment of Shri Kamleshwar Prasad Uniyal (DIN:08394485) as an Executive Director / Whole Time Director designated as "Director (Operations)" and "Key Managerial Personnel" of the Company for its unit located at Mokhra (Haryana) • Approval to make changes in payment of Profit based Commission to the Directors of the Company • Approval of Reappointment of Shri Pankaj Gupta (DIN:01913719) as Non- Executive Independent Director of the Company |



| Financial Year ended | Date and Time | Venue | Special Resolution(s) passed |
|----------------------|--------------------------|---|--|
| | | | <ul style="list-style-type: none"> Approval of Reappointment of Shri Ram Kanwar (DIN:02277237) as Non- Executive Independent Director of the Company and approval of continuation of Shri Ram Kanwar as Non-Executive Independent Director after attaining age of 75 years Approval of Reappointment of Smt. Sujata Agarwal (DIN:06958738) as Non- Executive Independent Director of the Company Approval of Amendment of Articles of Association of the Company |
| March 31, 2018 | 28.09.2018 10:30 A.M. | Apsara Grand Banquets A-1/20B, Paschim Vihar, Rohtak Road, New Delhi- 110063 | <ul style="list-style-type: none"> Revision in the remuneration of Shri Ajay Gupta (DIN: 02187741), Whole Time Director/ Executive Director of the Company Revision in the remuneration of Shri Abhaykumar Rajendrakumar Sharma (DIN: 07780742), Whole Time Director/ Executive Director of the Company |
| March 31, 2017 | 27.09.2017 10:30 A.M. | Apsara Grand Banquets A-1/20B, Paschim Vihar, Rohtak Road, New Delhi- 110063 | <ul style="list-style-type: none"> Appointment of Shri Ajay Gupta (DIN:02187741) as an Executive Director/ Whole Time Director designated as "Director (Operations)" and "Key Managerial Personnel" of the Company for its Unit located at Dahej (Gujarat) Appointment of Shri Abhaykumar Rajendrakumar Sharma (DIN:07780742) as an Executive Director/ Whole Time Director designated as "Director (Operations)" and "Key Managerial Personnel" of the Company for its Unit located at Mokhra (Haryana) Approve continuation of Shri Sat Narain Gupta (DIN:00024660) as Chairman & Managing Director after attaining age of 70 years |



5. VIGIL MECHANISM/ WHISTLEBLOWER POLICY

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for Directors and Employees to report concerns about unethical behavior. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

Disclosure Policy

In line with requirements under Regulation 30 of the Listing Regulations, the Company has framed a policy on disclosure of material events and information as per the Listing Regulations, which is available on our website at Investors Desk (<http://www.bharatgroup.co.in/investordesk.aspx?mpgid=68&pgidtrail=68#investor-desk7>). The objective of this policy is to have uniform disclosure practices and ensure timely, adequate and accurate disclosure of information on an ongoing basis.

Code for Prevention of Insider Trading

The Company has adopted a Code of Conduct to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code for practices and procedures for fair disclosure of unpublished price sensitive information and has been made available on the Company's website at Investors Desk (<http://www.bharatgroup.co.in/investor-desk.aspx?mpgid=68&pgidtrail=68#investor-desk8>).

During the year under review, both the above Codes were amended to align them with the amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015. As per the revised Code, the Company has also adopted Policy on Enquiry in case of leak or suspected leak of UPSI and Policy for Determination of Legitimate Purposes. The Code of Corporate Disclosure Practices along with the Policy for Determination of Legitimate Purposes is also available on the website of the Company at (<http://www.bharatgroup.co.in/investor-desk.aspx?mpgid=68&pgidtrail=68#investor-desk8>).

Policy for Preservation of Documents

Pursuant to the requirements under Regulation 9 of the Listing Regulations, the Board has formulated and approved a Document Retention Policy prescribing the manner of retaining the Company's documents and the time period up to certain documents are to be retained. The policy percolates to all levels of the organization who handle the prescribed categories of documents.

6. DISCLOSURES

(A) Materially Significant Related Party Transactions

Your Company has not entered into any transactions of material nature with any of its related parties that may have any potential conflict with interests of the Company. Suitable Disclosures as required by Accounting Standard-18 (Related Party Transactions) have been made in Annual Report.

(B) Compliance

Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2017-18, 2018-19 and 2019-20 respectively: - Nil -

(C) Accounting Standards

The financial statements have been prepared following the prescribed Accounting Standards notified under Section 133 of the Companies Act, 2013, and there has been no deviation in the accounting treatment during the year.



(D) Risk Management

The Company has a well-defined risk management framework in place, which helps the management to identify and monitor the business risks on a continuous basis and initiate appropriate risk mitigation steps as and when deemed necessary. The Company periodically places before the Board for review, the risk assessment and minimization procedures being followed by the Company.

(E) Compliance with mandatory requirements /adoption of non-mandatory requirements

The status of compliance with the non-mandatory recommendation is provided below:

The Board: The Chairman of the Board is an Executive Director and accordingly no separate Chairman's office has been maintained. Further, the Company ensures that the persons appointed as Independent Directors on the Board possess requisite qualifications and experience that may prove beneficial to the Company.

Shareholders' Rights: The shareholders are kept informed about the financial performance of the Company and of the significant events, if any, in the Company. The annual report, financial results of the Company and other requisite information for the knowledge of the shareholders are also made available on the Company's website www.bharatgroup.co.in.

Audit Qualifications: During the year under review, there was no audit qualification in the Company's financial statements. It is always the Company's endeavor to present unqualified financial statements.

(F) Proceeds from public issues, right issues, preferential issues etc.

The Company did not have any of the above issues during the year under review.

(G) Secretarial Audit Report

The Company has obtained Secretarial Audit Report on quarterly/Annual basis from the Company Secretary in practice for compliance with Section 204(1) of the Companies Act, 2013, Listing Regulations, SEBI Regulations on Takeover, Insider Trading and Depositories Participants. A text of the Annual Secretarial Audit Report is annexed elsewhere.

(H) Management Discussion and Analysis Report

The Management Discussion and Analysis Report have been included separately in the Annual Report to the Shareholders.

(I) CEO and CFO Certification

Certificate from Managing Director and CFO for the financial year ended on 31st March, 2020 is annexed at the end of this report.

(J) Confirmation by the Board of Directors Regarding Acceptance of Recommendation of all Committees

In terms of the amendments made to the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from all its Committees.

(K) Fees Paid to Statutory Auditor

A total fee of ₹ 9.00 Lakhs was paid by the Company, for all services to M/s. R.D.Garg & Co., Statutory Auditors.

(L) Credit Rating

CARE has given the credit rating of AA- for long term and A1+ for short term financial instruments of the Company.



7. MEANS OF COMMUNICATION

| | | |
|-----|---|---|
| (a) | Information to Stock Exchanges and Newspapers Publicity | Quarterly, Half-Yearly & Annual Results of the Company are published in the newspapers in terms of Listing Regulations. These results are promptly submitted to Stock Exchange. Additionally, in strict compliance of Listing Regulation requirements, the Company has always promptly reported dates of various Board Meetings, General Meetings, Book Closures/ Record Date to the Stock Exchanges and also published the information pertaining thereto in a leading Financial daily for information of shareholders and also www.bharatgroup.co.in significant information about important developments to stakeholders. |
| (b) | Company's Website | The Company regularly posts important information such as Quarterly/ Annual Audited Financial results, Shareholding Pattern etc. on Company's website www.bharatgroup.co.in at the earliest. The Company by way of press releases in leading financial newspapers also informs significant information about important developments to stakeholders. |
| (c) | NSE Electronic Application Processing System (NEAPS) | The Shareholding Pattern, Report on Corporate Governance etc. for every quarter are filed electronically on NEAPS which is a web based application designed by National Stock Exchange of India Limited for corporates. |
| (d) | SEBI Complaints Redress Systems (SCORES) | The investors complaints are now processed in a centralized web based complaints redress system termed as SEBI Complaints Redress Systems (SCORES). The Action taken reports are submitted online by the Company and resolved to the satisfaction of the investor through SCORES. |
| (e) | Designated Exclusive E-mail ID | The Company has designated an E-mail-ID investors.br1@bharatgroup.co.in for investor servicing. |

8. GENERAL SHAREHOLDERS' INFORMATION

(i) 31st Annual General Meeting

| | |
|------------------------|--|
| Date & Time | September 24, 2020, Thursday, 10:30 A.M. |
| Venue | Hotel Regent Grand, 2/6, East Patel Nagar, New Delhi-110008 |
| Book Closure | September 18, 2020 to September 24, 2020 |

- (ii) **Financial Calendar** : April to March every year
 (iii) **Dividend** : ₹1.50 per equity share of ₹10/- each
Dividend Payment Date : On or before October 23, 2020

(iv) Listing on Stock Exchange and Stock Code

| Stock Exchange | Stock Code | Equity ISIN |
|---|------------|--------------|
| National Stock Exchange of India Ltd. (NSE) | BHARATRAS | INE838B01013 |



(v) Market Price Information

Market price data - monthly high / low of NSE depicting liquidity of the Company's Ordinary Shares on the said.

| Month and Year | NSE Market Price Data | | NSE Indices [Nifty 50] | |
|-----------------|-----------------------|---------|------------------------|----------|
| | High (₹) | Low (₹) | High | Low |
| April, 2019 | 4599.00 | 4018.55 | 11856.15 | 11549.10 |
| May, 2019 | 4850.00 | 3832.20 | 12041.15 | 11108.30 |
| June, 2019 | 4450.00 | 3900.00 | 12103.05 | 11625.10 |
| July, 2019 | 4483.10 | 3960.05 | 11981.75 | 10999.40 |
| August, 2019 | 5079.80 | 3820.00 | 11181.45 | 10637.15 |
| September, 2019 | 6184.95 | 4732.00 | 11694.85 | 10670.25 |
| October, 2019 | 6340.00 | 5553.00 | 11945.00 | 11090.15 |
| November, 2019 | 7020.00 | 5660.00 | 11802.65 | 7511.10 |
| December, 2019 | 6449.00 | 5580.00 | 12293.90 | 11832.30 |
| January, 2020 | 6680.00 | 5830.00 | 12430.50 | 11929.60 |
| February, 2020 | 8155.00 | 6184.05 | 12246.70 | 11175.05 |
| March, 2020 | 7420.00 | 4500.00 | 11433.00 | 7511.10 |

(vi) Registrar and Transfer Agent (RTA)

M/s LinkIntime India Pvt. Ltd having its office at

Noble Heights, 1st Floor, Plot NH 2, C-1 Block LSC, Near Savitri Market,
Janakpuri, New Delhi - 110 058.

Tel. Nos. : 091-11-41410592-93-94, Fax No. : 091-11-41410591

E-mail : delhi@linkintime.co.in

(vii) Share Transfer System

Shareholders may submit their request for share transfer or transmission along with the requisite documents at the Registered Office of the Company or to M/s. Link Intime India Pvt. Limited, Company's RTA. The share transfer/transmission requests are processed by the RTA and after processing the same is forwarded to the Company for approval of the Share Transfer Committee.

In terms of Listing Agreement entered into between the Company & Stock Exchange, a practicing Company Secretary has been appointed by the Company to examine the records and processing of share transfers and for thereafter issuance of half yearly certificate which is sent to the Stock Exchanges. Also, in accordance with SEBI's requirement, a practicing Company Secretary has been appointed by the Company who on quarterly basis conducts Secretarial Audit for reconciliation of total issued share capital with depositories and in physical mode.



(viii) Shareholding Pattern as on March 31, 2020

| Category of Shareholder | Number of Shares | % of Shareholding |
|---|------------------|-------------------|
| Total Promoters and Promoters' Group Holding (A) | 31,79,204 | 74.8270 |
| Public Shareholding | | |
| Mutual Funds | 19,361 | 0.4557 |
| Alternate Investment Funds | 498 | 0.0117 |
| Foreign Portfolio Investor | 11,724 | 0.2759 |
| Financial Institutions / Banks | 2,160 | 0.0508 |
| Individuals | 4,03,220 | 9.4903 |
| IEPF | 73,518 | 1.7303 |
| Foreign Nationals | 200 | 0.0047 |
| HUF | 8,789 | 0.2069 |
| NRIs | 17,152 | 0.4037 |
| Bodies Corporate | 5,30,020 | 12.4748 |
| Clearing Members | 2,894 | 0.0681 |
| Total Public Shareholding (B) | 10,69,536 | 25.1730 |
| TOTAL (A+B) | 42,48,740 | 100.0000 |

(ix) Distribution of Shareholding as on March 31, 2020

| Shareholding of Nominal Value (₹) | No. of Shareholders | % to total Shareholders | No. of Shares | Share Amount (₹) | % of Shareholding |
|-----------------------------------|---------------------|-------------------------|------------------|--------------------|-------------------|
| Up to 500 | 8,561 | 98.6632 | 3,55,598 | 35,55,980 | 8.3695 |
| 501 - 1,000 | 57 | 0.6569 | 39,780 | 3,97,800 | 0.9363 |
| 1,001 - 2,000 | 28 | 0.3227 | 39,401 | 3,94,010 | 0.9274 |
| 2,001 - 3,000 | 6 | 0.0692 | 14,562 | 1,45,620 | 0.3427 |
| 3,001 - 4,000 | 2 | 0.0230 | 6,904 | 69,040 | 0.1625 |
| 4,001 - 5,000 | 2 | 0.0230 | 9,362 | 93,620 | 0.2203 |
| 5,001 - 10,000 | 2 | 0.0230 | 15,457 | 1,54,570 | 0.3638 |
| 10,001 & above | 19 | 0.2190 | 37,67,676 | 3,76,76,760 | 88.6775 |
| TOTAL | 8,677 | 100.0000 | 42,48,740 | 4,24,87,400 | 100.0000 |

(x) Dematerialization of shares

The Company's shares are compulsorily traded in dematerialized form and through M/s. Link Intime India Pvt. Limited, the Registrar & Transfer Agent. We have established connectivity with both the Depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to our shares under the Depository System is INE838B01013.

As on March 31, 2020, 97.4049% of the paid up equity share capital of the Company has been dematerialized.



(xi) Plants Location

| S. No. | Unit | Address |
|--------|---------|--|
| 1 | Unit-I | 2 KM Stone, Madina-Mokhra Road, Village Mokhra, Distt. Rohtak - 124 022 (Haryana). |
| 2 | Unit-II | 42/4, Amod Road, GIDC Industrial Estate, Dahej, Distt. Bharuch- 392 130 (Gujarat). |

(xii) Address for Correspondence M/s Bharat Rasayan Limited

Secretarial Department
1501, Vikram Tower, Rajendra Place,
New Delhi - 110008.
Phone No.: 091-11-43661111
Fax No.: 091-11-43661100

(xiii) Other Material Information

In an effort to improve our services & to minimize investor grievances, we seek co-operation of our esteemed shareholders / members in the following matters:

- (a) Green Initiative:** Ministry of Corporate Affairs ("MCA"), Government of India, vide its circulars dated April 21, 2011 and April 29, 2011, has taken a "Green Initiative in the Corporate Governance", thereby allowing Companies to serve documents to its members through electronic mode. Subsequently, SEBI has also vide its circular dated October 05, 2011, amended the Equity Listing Agreement and directed the listed entities to supply soft copy of Annual Reports to all those shareholders who have registered their email address for the purpose. Accordingly members are requested to register their Email-Ids by sending request to the Company/RTA/ concerned DPs (in case of Demat Holding). We solicit your valuable co-operation and support in our endeavor to contribute our bit to the Environment.
- (b) Mandatory to submit PAN Card Copy (For Shares held in Physical mode):** The Securities and Exchange Board of India (SEBI) has vide its circulars dated May 20, 2009 and January 07, 2010, made it mandatory to submit a copy of PAN Card along with other documents for effecting transfer, transmission, transposition and name deletion of deceased holder from share certificate (in case of joint holding) in respect of shares held in physical mode. Shareholders are therefore requested to ensure submission of a copy of their PAN Card, as in the absence of the said document, the above said requests in respect of shares held in physical mode will stand rejected by the Company/RTA.
- (c) Change of Address:** In case of change in postal address or any incompleteness / incorrectness in address mentioned in any correspondence by the Company, the shareholders are requested to intimate the correct/complete postal address (including PIN Code) to the Company at the earliest to ensure proper delivery of documents. If the shares are held in dematerialized mode, information may be sent to the DP concerned.
- (d) Depository System:** By virtue of SEBI Circular dated 29th May, 2000 shares of the Company are subject to compulsorily trading in dematerialized mode on the Stock Exchanges. For shareholder's convenience, the process for getting shares dematerialized is as follows:
- Shareholder shall submit original share certificate(s) along with Dematerialization Request Form (DRF) to the Depository Participant (DP);



- DP shall process the DRF, generate a Unique Dematerialization Request No. (DRN) and forward the DRF alongwith the share certificate(s) to the Registrar and Transfer Agent (RTA);
- RTA after processing the DRF will confirm/reject the request to depositories;
- If confirmed by RTA, depositories will credit shareholder's account maintained with DP.

The entire process shall take approximately 15-20 days from the date of receipt of DRF. All shareholders who hold shares of the Company in physical mode may get their shares dematerialized to enjoy paperless and easy trading of shares.

On behalf of the Board
For Bharat Rasayan Limited

**NEW DELHI,
AUGUST 13, 2020**

Sd/-
(SAT NARAIN GUPTA)
Chairman & Managing Director
DIN : 00024660

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND
SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2020, received from the Senior Management Personnel of the Company a declaration of compliance with the Code of Conduct as applicable to them.

**NEW DELHI,
APRIL 1, 2020**

On behalf of the Board
For Bharat Rasayan Limited
Sd/-
(SAT NARAIN GUPTA)
Chairman & Managing Director
DIN : 00024660



INDEPENDENT AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of

BHARAT RASAYAN LIMITED

This certificate is issued in accordance with the terms of our engagement with Bharat Rasayan Limited ('the company').

We have examined the compliance of conditions of Corporate Governance by **M/s. BHARAT RASAYAN LIMITED** ("the Company"), for the year ended on March 31, 2020, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2020.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2020.



Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **R.D. Garg & CO.**
CHARTERED ACCOUNTANTS

NEW DELHI
JUNE 26, 2020

Sd/-
R.D. Garg
Proprietor
Membership No 007526
(Firm Registration No 001776N)



BUSINESS RESPONSIBILITY REPORT

INDEX

SECTION A: General information about the Company

| | | |
|----|--|--|
| 1 | Corporate Identity Number (CIN) of the Company | L24119DL1989PLC036264 |
| 2 | Name of the Company | Bharat Rasayan Limited |
| 3 | Registered address | 1501, Vikram Tower, Rajendra Place, New Delhi - 110 008. |
| 4 | Website | www.bharatgroup.co.in |
| 5 | Email ID | investors.brl@bharatgroup.co.in |
| 6 | Financial year reported | 31st March, 2020 |
| 7 | Sector(s) that the Company is engaged in (industrial activity code-wise) | Manufacturer of Chemical and Chemical Products; National Industrial Classification(NIC) Code- 20211 |
| 8 | List three key products / services that the Company manufactures / provides (as in Balance Sheet) | Insecticides, Herbicides and Fungicides |
| 9 | Total number of locations where business activity is undertaken by the Company i. Number of international locations (Provide details of major five) ii. Number of national locations | ** N.A. ** The Company's manufacturing operations are situated at two locations, viz. Dahej and Mokhra. |
| 10 | Markets served by the Company - Local / State/ National / International | Our products are sold in both National and International market. |

SECTION B: Financial details of the Company

| | | |
|---|---|--|
| 1 | Paid-up capital (₹ in Lakhs) | ₹424.87 |
| 2 | Total turnover (₹ in Lakhs) | ₹1,21,505.10 |
| 3 | Total profit after taxes (₹ in Lacs) | ₹15,764.19 |
| 4 | Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | 1.57% |
| 5 | List of activities in which expenditure in 4 above has been incurred | Refer to its specific Annexure annexed to the Board's Report |

SECTION C: Other details

1. Does the Company have any subsidiary company /companies? ***** No *****
2. Do the subsidiary company / companies participate in the Business Responsibility (BR) initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s). ***** N.A. *****



3. Do any other entity / entities (e.g. suppliers, distributors, etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities (Less than 30%, 30%, 60%, More than 60%). ***** No *****

SECTION D: BR information

1. Details of Director / Directors responsible for BR

- a. Details of the Director responsible for implementation of the BR policy /policies

| | | |
|----|-------------|------------------------------|
| 1. | DIN Number | 00024660 |
| 2. | Name | Shri Sat Narain Gupta |
| 3. | Designation | Chairman & Managing Director |

- b. Details of the BR Head

| | | |
|----|----------------------------|-------------------------------|
| 1. | DIN Number (if applicable) | N.A. |
| 2. | Name | Ms. Nikita Chadha |
| 3. | Designation | Company Secretary |
| 4. | Telephone number | 011-43661111 |
| 5. | E-mail ID | nikita.bahl@bharatgroup.co.in |

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N) The NVGs on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs advocates the nine principles (detailed below) as P1-P9 to be followed:

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.
- P3 Businesses should promote the wellbeing of all employees.
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 Businesses should respect and promote human rights.
- P6 Business should respect, protect, and make efforts to restore the environment.
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 Businesses should support inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner the principle wise responses are mentioned in the Annexure to this report.



Principle-wise (as per NVGs) BR policy / policies (reply with Yes / No)

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|--|---|-----------------------------------|---------------------|------------------------|--------------|-------------|-----------------|-----------------------|----------------|
| | | Ethics | Product Life Cycle Sustainability | Employee Well-Being | Stakeholder Engagement | Human Rights | Environment | Policy advocacy | Community Development | Customer Value |
| 1 | Do you have a policy/policies for ethics, bribery and corruption cover only the Company? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 2 | Has the policy been formulated in consultation with the relevant stakeholders? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3 | Does the policy conform to any national/ international standards? If yes, specify (50 words). | The policies conform to the nine principle of National Voluntary Guidelines (NVGs) for Business Responsibility Report. We have ISO 9001:2015 for Quality Management, the professional commitments of high order have earned the rating of ISO 14001:2015 for Environment Management System and also ISO 45001:2018 Certification for Occupational Health & Safety norms | | | | | | | | |
| 4 | Has the policy been approved by the Board? If yes, has it been signed by the MD/owner/ CEO/ appropriate Board Director?* | Yes, BOD | No | Yes, BOD | Yes, BOD | No | Yes, BOD | No | No | No |
| 5 | Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | No |
| 6 | Indicate the link for the policy to be viewed online. | View restricted to the respective stakeholders. | | | | | | | | |
| 7 | Has the policy been formally communicated to all relevant internal and External stakeholders? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 8 | Does the Company have an in-house structure to implement the policy/policies? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/Policies? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 10 | Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | The Company is working to develop a process and system for evaluating the implementation of the policies. The policies are evaluated from time to time and updated whenever required. | | | | | | | | |

*Policies have been approved by the Board of Directors, Managing Director and Senior Management.



2. If answer to S. No. 1 of the annexure against any principle, is 'No', the reasons for the same have been mentioned therein.

| S. No. | Question | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--------|---|----|----|----|----|----|----|----|----|----|
| 1 | The company has not understood the Principles | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 2 | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 3 | The company does not have financial or manpower resources available for the Task | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 4 | It is planned to be done within next 6 months | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 5 | It is planned to be done within the next 1 year | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 6 | Any other reason (please specify) | NA | NA | NA | NA | NA | NA | NA | NA | NA |

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
***** Annually *****
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
The Company will publish the BR Report annually. The hyperlink for viewing the report is www.bharatgroup.co.in.

SECTION E: PRINCIPLE -WISE PERFORMANCE

Principle 1

- Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
Yes, Whistle Blower Policy and Code of Conduct of Ethics.
 - The Company is committed to grow in a socially and environmentally responsible way, while meeting the interests of its major stakeholders.
 - In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Whistle Blower Policy has been implemented as a mechanism for employees to report concerns about unethical behaviour or actual or suspected fraud of all kinds, including alleged fraud by or against the Company, abuse of authority, whether made by a named complainant or anonymously.
 - The Policy is a step towards better Corporate Governance and is available on the Company's website.
- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?



During the year under review, the Committee noted that a total of Seventy One (71) Complaints were received from the investors and 70 complaints out of them were resolved to the full satisfaction of the investors of the Company. There was one complaint remain unresolved at the end of the financial year 2019-20.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The philosophy of the Company is to tie-up with innovators, especially Japanese Companies which are eco-friendly, less toxic, safe for environment. Environmental considerations get incorporated in each proposal through process hazard analysis and what-If analysis.

- META PHENOXY BENZALDEHYDE (MPBD)
- LAMBDA CYHALOTHRIN TECHNICAL
- METRIBUZIN

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?

The Company has taken up energy conservation programmes in all manufacturing units involving our inhouse team and experts from outside and registered saving in terms of energy and waters.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year? ***** N.A. *****

3. Does the company have procedures in place for sustainable sourcing (including transportation)? ***** Yes *****

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Among the commitments, the Company has embraced sustainability as a way of growing business and believe that organization which integrate material sustainability issues across through value chain will find an opportunity to improve their performance in the medium and long term.

In all cases, company request their suppliers to comply with social, environmental, business integrity, legal requirement and encourage them to go further and share the best practice with the Company, so that they can improve together in the area of sustainability.

The Company encourages new development with small, medium and large vendors keeping in mind indigenization for sourcing of raw material, intermediates to produce agro chemical and take care of compliance and monitoring of full chain mapping of process and procedure.

Logistics is fully integrated with sustainability sourcing policy, transporters are given time to time training for handling hazardous chemicals in case of exigency.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Bharat Rasayan Limited has been committed to have a mechanism to recycle products and waste.

We are recycling all recovered solvents upto 95% like toluene, methanol, iso propyl alcohol, dichloroethane, monoethylene glycol, n-hexane etc, also we are using by products like HCl, HBr, recovered trizenone, also we are selling our by products like Aq.AICI₃, NaHS, Na₂SO₃ to end users.



Principle 3

1. Please indicate the total number of employees:

The Company had 791 employees at March 31, 2020.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis: **597**.

3. Please indicate the number of permanent women employees : The Company had 14 women employees at March 31,2020.

4. Please indicate the number of permanent employees with disabilities: **2**

5. Do you have an employee association that is recognized by management: **No**

6. What percentage of your permanent employees are members of this recognized employee association? **Nil**

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

The Company does not engage in any form of child labour/forced labour/involuntary labour and does not adopt any discriminatory employment practices. The Company has a policy against sexual harassment and a formal process for dealing with complaints of harassment or discrimination. The said policy is in line with relevant Act passed by the parliament in 2013. During the year, No cases were happened.

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

1. Permanent Employees : **100%**

2. Permanent Women Employees : **100%**

3. Casual/Temporary/Contractual Employees : **100%**
(Mandatory/Required Safety Training to all contractual employees by Safety Department)

4. Employees with Disabilities : **002** (in Nos.)

Training of safety and skill up gradation is continuous process in our Company. Employee health and safety is of prime importance to Company.

We are continuously working on improving upon competencies of our employees helping them in skills development through training interventions.

Training wing under HR department with the help of in- house trainers and also engaging experts in relevant areas of training are hired to impart training to employees.

Structured Training need analysis is done periodically with the help of HOD in all departments to understand the skill gaps to enable, customize the contents.

This involves training on behavioral as well as functional related. Majority of employees and workers have been covered under training.

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its key internal and external stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized Stakeholders?

The Company engages with its stakeholders on an ongoing basis. It is committed to the welfare of marginalized and vulnerable sections of the society and endeavours to meet the expectations of the said stakeholders.



3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Presently the Company has not taken initiatives to engage with the disadvantaged, vulnerable and marginalized stakeholders.

Principle 5

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/ Contractors/NGOs/Others?

The Company remains committed to respect and protect human rights. The Company's Code of Business Conduct & Ethics and the human resource practices cover most of these aspects. The Company does not hire child labour, forced labour or involuntary labour. The Company never discriminates between its employees. This practice extends to the Bharat Group.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No stakeholder complaints, relating to human rights, have been received in the past financial year.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

It Covers to company and its surrounding.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? (Y/N). If yes, please give hyperlink for webpage etc.

Yes, we are monitoring our Ambient Air quality as well as Process/Vents stacks and maintain all parameters within GPCB/CPCB limit. Also we have developed green belt around our factory premises to reduce environmental impact of our activity. Also planted trees on Bharuch -Dahej Road as a CSR activity. We are recycling waste water after treatment in ETP in process cooling towers

3. Does the company identify and assess potential environmental risks? (Y/N)

We have ISO 9001:2015 for Quality Management, the professional commitments of high order have earned the rating of ISO 14001:2015 for Environment Management System and also ISO 45001:2018 Certification for Occupational Health & Safety norms. The Company's R & D Centre (Bahadurgarh and Dahej) is certified by the Ministry of Science and Technology, Government of India and NABL Certification from National Accreditation Board for Laboratories as a certified research Lab.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Environment Audit conducted by third party on yearly basis.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. (Y/N). If yes, please give hyperlink for web page etc.

No

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?

Yes



7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of FinancialYear.

None

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

1. PHD Chamber of Commerce and Industry.
2. Chemicals, Cosmetics & Dyes Export Promotion Council (CHEMEXCIL)
3. Crop Care Federation of India (CCFI).
4. Haryana Pesticides Manufacturers Association.
5. Bharuch District Manufacturers Association.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? (Yes/No); if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, Economic Reforms, Inclusive Development Policies initiatives has been taken up by the Company from time to time.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company has a well-defined CSR policy which is in line with the Companies Act, 2013. The Company, have taken various CSR initiatives for support and development of society. The report on the CSR projects carried by the Company is annexed with the Board's Report.

2. Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/ government structures/any other organization?

The Company, through various NGOs, supports various CSR initiatives in a project/ program mode.

3. Have you done any impact assessment of your initiative?

A report on each project and its impact on society are taken from NGOs/ Trusts which is reviewed from time to time.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Company has spent ₹2.47 crore on the CSR Activities during the financial year 2019-20. The amount was spent on areas as mentioned in Annexure to the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. Initiatives undertaken under CSR are tracked to determine the outcomes achieved and the benefits to the community.

Any project that comes up for CSR is first internally reviewed and assessed by the Management. If the Management is convinced of the project, it is put up to the CSR Committee for its consideration and approval.



Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

The Company's uncompromising commitment to providing worldclass products and services to customers is supported by its concern for the safety of its customers. A well-established system is in place for dealing with customer feedback and complaints. Customers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc.

All complaints are appropriately redressed and resolved. As on the end of the financial year, there was negligible percentage of unresolved complaints.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? [Yes/ No/N.A. /Remarks (additional information)]

Yes, We have affix product label having product related information in each and every bag/drum/ container. Also we have to provide term card to driver to handle the emergency during transportation. and MSDS to our customer in every consignment.

3. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Yes, we have received one show cause notice from GPCB and compliance reported submitted to GPCB.

4. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No.

5. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, On yearly Basis. (In this FY 2019-20 year customer satisfaction level was 90.36%)



CEO & CFO Certification

To,
**The Board of Directors,
BHARAT RASAYAN LIMITED
New Delhi.**

Reg.: CEO & CFO Certification for the Financial Year 2019-20

Dear Sir or Madam,

- a. We have reviewed both the Standalone and Consolidated Balance Sheets, Statements of Profit and Loss alongwith their Schedules and Notes to Accounts, as well as the Cash Flow Statements as at March 31, 2020, and certify that 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 read 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. We further certify that, to the best of our 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. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed, based on our most recent evaluation, to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Statutory Auditors and the Audit Committee:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies 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.
- e. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct).
- f. We further declare that all Board members and Senior Management have affirmed compliance with the Company's Code of Business Ethics for the financial year ended 31st March, 2020.

**NEW DELHI
JUNE 26, 2020**

**Sd/-
(RAKESH VERMA)**
Chief Financial Officer
PAN : ABZPV9075C

**Sd/-
(SAT NARAIN GUPTA)**
Chairman & Managing Director
DIN : 00024660



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BHARAT RASAYAN LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited accompanying financial statements of BHARAT RASAYAN LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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 standalone state of affairs of the Company as at March 31, 2020 and standalone profit, total comprehensive income, standalone changes in equity and its standalone cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2020. 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:

| KEY AUDIT MATTERS | AUDITORS' RESPONSES |
|--|---|
| REVENUE RECOGNITION Estimation of provision for sales returns, discounts, rebates, schemes and incentives on sales impacting revenue from sale of products Revenue from sale of products is presented net of returns, discounts, rebates, schemes and incentives in the consolidated Ind AS financial statement The estimates associated with sales returns, discounts, rebates, schemes and incentives on sale of products have been identified as a key audit matter as it is having a significant impact on the recognized revenue and the management is | PRINCIPAL AUDIT PROCEDURES PERFORMED We obtained the understanding of the Company's process, policies and procedures in making the estimates in the given areas of sales return, discount, rebates, scheme, incentives and performed the following procedures: We evaluated and tested the design and operating effectiveness of controls related to these estimates. We assessed the assumptions used by the management in determining the amount of provisions by studying the market conditions and obtaining an understanding of key contractual agreements. |



| KEY AUDIT MATTERS | AUDITORS' RESPONSES |
|--|---|
| required to make certain judgements in respect of revenue recognition and level of expected rebates/discounts and returns which are deducted in arriving at revenue. Management is required to consider historical experience, specific contractual terms and future expectation of revenue to determine these estimates. Also factors such as current and expected operating environment, action of third parties and weather conditions have a significant impact on management's judgement. | We considered the accuracy of management's estimates in previous years by comparing historical accrued liabilities with their subsequent settlement, ratio analysis of sales return, discounts, rebates, schemes and incentive as a percentage of sale of last few years. We verified if any credit notes were issued and/or their adjustment after the balance sheet date and their impact on financial statements. |

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

- The Company's Management and Board of Directors is responsible for the other information. The other information obtained at the date of this Auditors' Report is in Director's Report, Corporate Governance Report and Management Discussion & Analysis Report, but does not include the standalone financial statements and our Auditors' Report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the 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 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 the 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 Companies Act, 2013, ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), standalone changes in equity and standalone cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS 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 alternatives but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's



report that includes our opinion. Reasonable assurance is a high level of assurance. 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 Ind AS financial statements.

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we



give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid standalone financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid standalone 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 standalone Balance Sheet, the standalone Statement of Profit and Loss, and the standalone Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the standalone financial statements.
 - (d) In our opinion, the aforesaid standalone Ind AS 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 as on 31st March, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2020 from being appointed as Director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". 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 Auditors' 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 Auditors' Report in accordance with rule 11 of the companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (I) The Company has disclosed the amount of pending litigations having an adverse impact on its financial position in the notes to its 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; and
 - (III) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

NEW DELHI
JUNE 26, 2020

For R.D.GARG & CO.
CHARTERED ACCOUNTANTS
Sd/-
R.D. Garg
Proprietor
Membership No 007526
(Firm Registration No 001776N)



**ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT
ON STANDALONE FINANCIAL STATEMENTS OF BHARAT RASAYAN LIMITED**

REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING, "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE:

- (I) a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant, equipment and investment properties;
- b. The Company has a regular programme of physical verification of its property, plant, equipment and investment properties by which these are verified in a phased manner over a period of three years. In accordance with this programme, certain properties, plant, equipment's and investment properties were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- (II) As explained to us, the inventories, except for goods-in-transit and stocks lying with third parties has been physically verified by the Management at reasonable intervals during the year. In respect of stocks lying with the third parties at the year-end, written confirmations have been obtained. The discrepancies noticed during such physical verification were not material and the same have been properly dealt with in the books of accounts.
- (III) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, clause 3(III) (a), (b) & (c) of the order are not applicable.
- (IV) According to the information, explanations and representations provided by the Management and based upon audit procedures performed, we are of the opinion that in respect of loans and investments the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013. The Company has not provided any guarantees or security as specified under Section 185 and 186 of the Companies Act, 2013.
- (V) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and hence the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the company. Accordingly, the provisions of clause 3 (V) of the Order are not applicable to the Company.
- (VI) The Central Government has specified maintenance of cost records under sub-section (1) of Section 148 of the Act, and we are of the opinion that prima facie such accounts and records are made and maintained.
- (VII) (a) According to the information and explanations given to us and on the basis of examination of the records of Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, GST, Duty of Customs, Duty of Excise, Cess and any Other Material Statutory Dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, GST, Duty of Customs, Duty of Excise, Value Added Tax or Cess and any Other Material Statutory Dues were outstanding, at the year-end for a period of more than six months from the date they became payable as at March 31, 2020.



- (c) According to the records of the Company, the dues of Income Tax, Sales Tax, Service Tax, GST, Duty of Custom, Duty of Excise, Value Added Tax and Cess which have not been deposited as on March 31, 2020 were all on account of pending rectification applications towards taxes already paid for which credit not allowed and consequential levy of interest thereon.
- (VIII) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers/ Financial Institutions. The Company did not have any outstanding debentures during the year
- (IX) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (Including debt instruments). As informed to us, there is neither any term loan outstanding nor any term loan has been taken during the year. Hence, clause 3(IX) of the order is not applicable to the Company.
- (X) During the course of examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of any such case by the management.
- (XI) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (XII) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, clause 3 (XII) of the Order is not applicable to the Company and hence not commented upon.
- (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 section 177 and 188 of the Act where ever applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Sec. 133 of the Act.
- (XIV) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares of full or partly convertible debentures during the year and hence, reporting requirement under clause 3(XIV) not applicable to the Company and not commented upon.
- (XV) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with Directors or persons connected with them. Accordingly, provisions of clause 3(XV) of the orders are not applicable.
- (XVI) As informed to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting requirement under clause 3(XVI) not applicable to the Company.

NEW DELHI
JUNE 26, 2020

For **R.D. Garg & CO.**
CHARTERED ACCOUNTANTS
Sd/-
R.D. Garg
Proprietor
Membership No 007526
(Firm Registration No 001776N)



ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS OF BHARAT RASAYAN LIMITED

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT") AS REFERRED TO IN PARAGRAPH 2(f) OF 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS'

We have audited the internal financial controls with reference to standalone financial statements of **BHARAT RASAYAN LIMITED** ("the Company") as of March 31, 2020, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls With reference to standalone financial statements issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities included 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 accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls With reference to standalone financial statements (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, essential components stated in Guidance Note issued by the Institute of Chartered Accountants of India. 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 with reference to standalone financial statements 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 control system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements 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 controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control with reference to standalone financial statements 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 controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records 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 expenditure of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

NEW DELHI
JUNE 26, 2020

For **R.D. Garg & CO.**
CHARTERED ACCOUNTANTS
Sd/-
R.D. Garg
Proprietor
Membership No 007526
(Firm Registration No 001776N)



STANDALONE BALANCE SHEET AS AT 31st MARCH, 2020

Amount (₹ in Lakhs)

| Particulars | Note No. | As at 31 March, 2020 | | As at 31 March, 2019 | |
|---|----------|----------------------|-------------------------|----------------------|-------------------------|
| I. ASSETS | | | | | |
| 1 Non-current assets | | | | | |
| (a) Property, Plant and equipment | 3 | 20,298.63 | | 14,946.80 | |
| (b) Capital work-in-progress | 4 | 1,788.47 | | 3,537.06 | |
| (c) Other Intangible assets | 5 | 25.89 | | 67.45 | |
| (d) Intangible Assets under Development | 6 | - | | - | |
| (e) Financial Assets | 7 | | | | |
| (i) Investments | 7.1 | 908.75 | | 8.75 | |
| (ii) Others | 7.2 | 165.44 | | 154.15 | |
| (f) Other Non Current assets | 8 | <u>144.50</u> | 23,331.68 | <u>495.48</u> | 19,209.69 |
| 2 Current assets | | | | | |
| (a) Inventories | 9 | 16,032.60 | | 21,022.18 | |
| (b) Financial Assets | 10 | | | | |
| (i) Trade Receivables | 10.1 | 25,058.83 | | 27,908.74 | |
| (ii) Cash and cash equivalents | 10.2 | 4,555.82 | | 550.71 | |
| (iii) Bank Balance Other than (ii) above | 10.3 | 561.64 | | 390.88 | |
| (iv) Others | 10.4 | 57.46 | | 68.88 | |
| (c) Current Tax Assets(Net) | 11 | 185.11 | | 185.11 | |
| (d) Other Current assets | 12 | <u>5,404.64</u> | <u>51,856.10</u> | <u>6,233.36</u> | <u>56,359.86</u> |
| Total Assets | | | <u>75,187.78</u> | | <u>75,569.55</u> |
| II. EQUITY AND LIABILITIES | | | | | |
| 1 Equity | | | | | |
| (a) Equity Share Capital | 13 | 424.87 | | 424.87 | |
| (b) Other Equity | 14 | <u>55,987.00</u> | 56,411.87 | <u>40,455.84</u> | 40,880.71 |
| 2 Liabilities | | | | | |
| Non-current liabilities | | | | | |
| (a) Financial Liabilities | 15 | | | | |
| (i) Borrowing | 15.1 | 2,200.00 | | 4,000.00 | |
| (b) Provisions | 16 | 188.89 | | 88.72 | |
| (c) Deferred Tax Liability (Net) | 17 | <u>1,043.50</u> | | <u>1,294.11</u> | |
| | | | 3,432.39 | | 5,382.83 |
| 3 Current liabilities | | | | | |
| (a) Financial Liabilities | 18 | | | | |
| (i) Borrowing | 18.1 | 7,185.70 | | 20,699.44 | |
| (ii) Trade payables | 18.2 | | | | |
| a) Total Outstanding dues of Micro Enterprises and Small Enterprises | | 413.18 | | 379.59 | |
| b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | | 3,510.66 | | 4,077.10 | |
| (iii) Others | 18.3 | 3,631.77 | | 3,528.73 | |



Bharat RASAYAN LIMITED
31st Annual Report 2019-2020

| Particulars | Note No. | Amount (₹ in Lakhs) | | | |
|---|----------|----------------------|-----------|----------------------|-----------|
| | | As at 31 March, 2020 | | As at 31 March, 2019 | |
| (b) Other Current liabilities | 19 | 312.31 | | 169.83 | |
| (c) Provisions | 20 | 32.84 | | 17.41 | |
| (d) Current Tax liability (Net) | 11 | 257.06 | 15,343.52 | 433.91 | 29,306.01 |
| Total Equity and Liabilities | | 75,187.78 | | 75,569.55 | |
| General Information | 1 | | | | |
| Summary of Significant Accounting Policies | 2 | | | | |
| The Notes are an integral part of these financial statements | 3 to 49 | | | | |

Annexure to our report of even date
for **R.D. GARG & CO.**

CHARTERED ACCOUNTANTS

Sd/-

CA R.D.GARG

Proprietor

Membership No.: 007526

Firm Regn. No.: 001776N

NEW DELHI

JUNE 26, 2020

FOR & ON BEHALF OF THE BOARD

Sd/-

S.N. GUPTA

Chairman & Managing Director

DIN: 00024660

Sd/-

RAKESH VERMA

Chief Financial Officer

PAN: ABZPV9075C

Sd/-

R.P. GUPTA

Whole Time Director

DIN : 00048888

Sd/-

NIKITA CHADHA

Company Secretary

PAN: AYEPB8734G



STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

| Particulars | Note No. | Amount (₹ in Lakhs) | |
|--|----------|------------------------------|------------------------------|
| | | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
| I. Revenue : | | | |
| Revenue from operations | 21 | 121,505.10 | 99,217.72 |
| II. Other income | 22 | 1,681.91 | 251.00 |
| III. Total Income (I + II) | | 123,187.01 | 99,468.72 |
| IV. Expenses: | | | |
| Cost of Material Consumed | 23 | 78,999.72 | 72,489.98 |
| Purchase of Stock-in-Trade | 24 | 878.38 | 3,015.85 |
| Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade | 25 | 4,035.70 | -7,141.82 |
| Excise duty on Goods | | - | - |
| Employee Benefit Expenses | 26 | 6,908.69 | 5,735.88 |
| Finance Costs | 27 | 1,562.16 | 1,582.49 |
| Depreciation and Amortization Expense | 28 | 2,194.06 | 1,689.12 |
| Other Expenses | 29 | 7,767.61 | 6,406.79 |
| Total Expenses (IV). | | 102,346.32 | 83,778.29 |
| V. Profit/loss Before exceptional items and Tax (I - IV) | | 20,840.69 | 15,690.43 |
| VI. Exceptional items | 30 | 321.04 | 177.07 |
| VII. Profit/(Loss) before tax (V - VI) | | 20,519.65 | 15,513.36 |
| VIII. Tax expense: | 31 | | |
| (1) Current tax | | | |
| - For the year | | 4,946.81 | 4,318.34 |
| - For earlier years | | 59.26 | (47.37) |
| (2) Deferred tax (net) | | (250.61) | 89.96 |
| Total Tax Expense (VIII) | | 4,755.46 | 4,360.93 |
| IX Profit/(loss) for the period from continuing operation (VII - VIII) | | 15,764.19 | 11,152.43 |
| X Profit/(loss) from discontinued operations | | - | - |
| XI Tax Expense of discontinued operations | | - | - |
| XII Profit/(loss) from discontinued operations (after tax) (X-XI) | | - | - |
| XIII Profit/(loss) for the period (IX+XII) | | 15,764.19 | 11,152.43 |
| XIV Other Comprehensive Income | | | |
| Items that will not be reclassified to profit and loss | 32 | | |
| Remeasurement gains (losses) on defined benefit plans | | (67.28) | (19.48) |
| Income tax effect on Remeasurement gains (losses) on defined benefit plans | | | |
| XV Total Comprehensive Income for the period (XIII +XIV) (Comprehensive profit and other comprehensive income for the period) | | 15,696.91 | 11,132.95 |
| XVI Earnings Per Equity Share (in ₹) : | 33 | | |
| (For Continuing Operation) | | | |
| (1) Basic | | 371.03 | 262.49 |
| (2) Diluted | | 371.03 | 262.49 |
| XVII Earnings Per Equity Share (in ₹): | | | |
| (For discontinuing Operation) | | | |
| (1) Basic | | - | - |
| (2) Diluted | | - | - |



Bharat RASAYAN LIMITED
31st Annual Report 2019-2020

| Particulars | Note No. | Amount (₹ in Lakhs) | |
|--|----------|------------------------------|------------------------------|
| | | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
| XVIII Earnings Per Equity Share (in ₹): (For discontinued and continuing Operation) | | | |
| (1) Basic | | 371.03 | 262.49 |
| (2) Diluted | | 371.03 | 262.49 |
| General Information | 1 | | |
| Summary of Significant Accounting Policies | 2 | | |
| The Notes are an integral part of these financial statements | 3 to 49 | | |

Annexure to our report of even date
for **R.D. GARG & CO.**

CHARTERED ACCOUNTANTS
Sd/-

CA R.D.GARG
Proprietor

Membership No.: 007526
Firm Regn. No.: 001776N

NEW DELHI
JUNE 26, 2020

FOR & ON BEHALF OF THE BOARD

Sd/-

S.N. GUPTA

Chairman & Managing Director
DIN: 00024660

Sd/-

RAKESH VERMA

Chief Financial Officer
PAN: ABZPV9075C

Sd/-

R.P. GUPTA

Whole Time Director
DIN : 00048888

Sd/-

NIKITA CHADHA

Company Secretary
PAN: AYEPB8734G



STANDALONE STATEMENT CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2020

Amount (₹ in Lakhs)

| Particulars | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
|--|------------------------------|------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before income tax & extraordinary items | 20,519.65 | 15,513.36 |
| Adjustments for | | |
| Depreciation | 2,194.06 | 1,710.68 |
| (Profit) / Loss on sale of fixed assets | - | 0.54 |
| Long Term Capital Gain | - | - |
| Interest Received & Accrued | (128.58) | (46.81) |
| Interest paid | 1,562.16 | 1,582.49 |
| (Profit)/Loss of sale of Investments (Profit) | - | - |
| Other Comprehensive Income | (67.28) | (19.48) |
| Effect of Exchange differences on translation of Foreign Currency | <u>(1,480.17)</u> | <u>(169.84)</u> |
| | <u>2,080.19</u> | <u>3,057.58</u> |
| Operating Profit before working Capital Changes | 22,599.84 | 18,570.94 |
| Adjustments for | | |
| (Increase)/Decrease in Trade Receivables | 2,849.91 | (5,747.80) |
| (Increase)/Decrease in Inventories | 4,989.57 | (11,604.70) |
| (Increase)/Decrease in Non-Current Financial Assets Loans | (11.29) | - |
| (Increase)/Decrease in Other Non Current assets | 350.98 | (371.38) |
| Decrease / (Increase) in Other current financial asset | 25.51 | (7.50) |
| Decrease / (Increase) in Other Current assets | 828.72 | (3,899.60) |
| (Decrease) / Increase in Long term Provisions | 100.17 | 9.82 |
| (Decrease) / Increase in Current Trade Payables | (532.85) | 919.23 |
| (Decrease) / Increase in Other financial Liability | 103.04 | 1,231.51 |
| (Decrease) / Increase in Other Liabilities | 142.48 | 9.52 |
| (Decrease) / Increase in Short term Provisions | <u>15.43</u> | <u>8.79</u> |
| | <u>8,861.67</u> | <u>(19,452.11)</u> |
| Cash generated from operations | 31,461.51 | (881.17) |
| Direct Taxes Paid | (5,203.03) | (4,350.36) |
| NET CASH FROM OPERATING ACTIVITIES | 26,258.48 | (5,231.53) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Net Investment in Shares & Units | (900.00) | 0.02 |
| Addition to fixed assets (Project) | (5,844.66) | (4,777.49) |
| Proceeds from sale of fixed assets | - | 0.68 |
| (Profit)/Loss of sale of Investments (Profit) | - | - |
| Interest received | 114.49 | 35.26 |
| Decrease / (Increase) in Bank Balance other than those taken to Cash and Cash Equivalent | <u>(170.76)</u> | <u>(15.31)</u> |
| NET CASH FROM INVESTING ACTIVITIES | <u>(6,800.93)</u> | <u>(4,756.84)</u> |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net Proceed/Repayment of borrowings | (15,313.74) | 11,865.07 |
| Dividend paid | (63.73) | (63.73) |
| Dividend Distribution tax paid | (13.10) | (13.10) |
| Interest paid | <u>(1,542.05)</u> | <u>(1,542.28)</u> |
| NET CASH FROM FINANCING ACTIVITIES | <u>(16,932.62)</u> | <u>10,245.96</u> |



Bharat RASAYAN LIMITED
31st Annual Report 2019-2020

| Particulars | Amount (₹ in Lakhs) | |
|---|------------------------------|------------------------------|
| | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
| D. Effect of Exchange differences on translation of Foreign Currency | 1,480.17 | 169.84 |
| Net increase/(Decrease) in cash & cash equivalents (A+B+C+D) | 4,005.11 | 427.43 |
| Cash and cash equivalents as at 01.04.2019 | 550.71 | 123.28 |
| Cash and cash equivalents as at 31.03.2020 | 4,555.82 | 550.71 |

Annexure to our report of even date

for **R.D. GARG & CO.**

CHARTERED ACCOUNTANTS

Sd/-

CA R.D.GARG

Proprietor

Membership No.: 007526

Firm Regn. No.: 001776N

NEW DELHI

JUNE 26, 2020

FOR & ON BEHALF OF THE BOARD

Sd/-

S.N. GUPTA

Chairman & Managing Director

DIN: 00024660

Sd/-

RAKESH VERMA

Chief Financial Officer

PAN: ABZPV9075C

Sd/-

R.P. GUPTA

Whole Time Director

DIN : 00048888

Sd/-

NIKITA CHADHA

Company Secretary

PAN: AYEPB8734G

Sd/-
M.P.GUPTA

Whole Time Director

DIN: 00014681



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020

| Particulars | Number of shares | (₹ in Lakhs) |
|--|------------------|---------------|
| A. Equity Share Capital | | |
| Balance as at April 1, 2019 | 4,248,740 | 424.87 |
| Issue of equity shares capital during the year | - | - |
| Balance as at March 31, 2020 | 4,248,740 | 424.87 |

| Particulars | Reserves & Surplus | | Total |
|---|--------------------|-------------------|------------------|
| | General Reserve | Retained Earnings | |
| B. Other Equity | | | |
| Balance at the beginning of the year | 4,165.17 | 36,290.67 | 40,455.84 |
| Changes in accounting policy or prior period errors | - | - | - |
| Restated balance at the beginning of the year | 4,165.17 | 36,290.67 | 40,455.84 |
| Profit for the year | | 15,764.19 | 15,764.19 |
| Other Comprehensive Income for the year (net of income tax) | - | (67.28) | (67.28) |
| Total Comprehensive Income for the year | - | 15,696.91 | 15,696.91 |
| Payment of dividend on equity shares | - | (63.73) | (63.73) |
| Payment of dividend tax on dividend paid to equity shares | | (13.10) | (13.10) |
| Impact due to adoption of Ind As-116 | | (88.92) | (88.92) |
| Transfer to general reserves | - | - | - |
| Balance at the end of the year | 4,165.17 | 51,821.83 | 55,987.00 |

Annexure to our report of even date

for **R.D. GARG & CO.**

CHARTERED ACCOUNTANTS

Sd/-

CAR.D.GARG

Proprietor

Membership No.: 007526

Firm Regn. No.: 001776N

NEW DELHI

JUNE 26, 2020

FOR & ON BEHALF OF THE BOARD

Sd/-

S.N. GUPTA

Chairman & Managing Director

DIN: 00024660

Sd/-

RAKESH VERMA

Chief Financial Officer

PAN: ABZPV9075C

Sd/-

R.P. GUPTA

Whole Time Director

DIN : 00048888

Sd/-

M.P.GUPTA

Whole Time Director

DIN: 00014681

Sd/-

NIKITA CHADHA

Company Secretary

PAN: AYEPB8734G



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

| Particulars | Number of shares | (₹ in Lakhs) |
|--|------------------|---------------|
| A. Equity Share Capital | | |
| Balance as at April 1, 2018 | 4,248,740 | 424.87 |
| Issue of equity shares capital during the year | - | - |
| Balance as at March 31, 2019 | 4,248,740 | 424.87 |

| Particulars | Reserves & Surplus | | Total |
|---|--------------------|-------------------|------------------|
| | General Reserve | Retained Earnings | |
| B. Other Equity | | | |
| Balance at the beginning of the year | 4,165.17 | 25,234.55 | 29,399.72 |
| Changes in accounting policy or prior period errors | - | - | - |
| Restated balance at the beginning of the year | 4,165.17 | 25,234.55 | 29,399.72 |
| Profit for the year | | 11,152.43 | 11,152.43 |
| Other Comprehensive Income for the year (net of income tax) | - | (19.48) | (19.48) |
| Total Comprehensive Income for the year | - | 11,132.95 | 11,132.95 |
| Payment of dividend on equity shares | - | (63.73) | (63.73) |
| Payment of dividend tax on dividend paid to equity shares | | (13.10) | (13.10) |
| Transfer to general reserves | - | | - |
| Balance at the end of the year | 4,165.17 | 36,290.67 | 40,455.84 |

Annexure to our report of even date

for **R.D. GARG & CO.**

CHARTERED ACCOUNTANTS

Sd/-

CA R.D.GARG

Proprietor

Membership No.: 007526

Firm Regn. No.: 001776N

NEW DELHI

JUNE 26, 2020

FOR & ON BEHALF OF THE BOARD

Sd/-

S.N. GUPTA

Chairman & Managing Director

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RAKESH VERMA

Chief Financial Officer

PAN: ABZPV9075C

Sd/-

R.P. GUPTA

Whole Time Director

DIN: 00048888

Sd/-
M.P. GUPTA

Whole Time Director

DIN: 00014681

Sd/-

NIKITA CHADHA

Company Secretary

PAN: AYEPB8734G



Notes to the Standalone Financial Statements for the year ended 31st March, 2020

1. General Information

Bharat Rasayan Limited is a public limited company domiciled in India and was incorporated on May 15, 1989 for the business of manufacturing the Pesticides. It is a backward integration project to manufacture Technical Grade Pesticides and Intermediates conforming to International Standards. It is Listed on National Stock Exchange.

The address of its registered office is 1501, Vikram Tower, Rajendra Place, New Delhi 110008.

2. Basis of Preparation

2.1 Statement of Compliance

The Standalone financial statements for year ended March 31, 2020 is prepared in accordance with Indian Accounting Standards (Ind-AS) notified under section 133 of the Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule-III to the Companies Act, 2013. Based on the nature of the products and the time between purchase of materials for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.2 Basis of Measurement

The financial statements have been prepared under the historical cost convention and on an accrual basis, except for the following item that have been measured at fair value as required by relevant Ind-AS.

- a. Employee defined benefit plan.
- b. Certain financial assets and liabilities measured at fair value.

2.3 Use of Estimates and Judgement

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of income and expenses. Examples of such estimates includes future obligations under employee retirement benefit plans and estimated useful life of property, plant and equipment, Employee benefit expenses, provisions etc. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Future results could differ due to changes in these estimates and difference between the actual result and the estimates are recognised in the period in which the results are known /materialized.

2.4 Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, cash at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand which are considered part of the Company's cash management system.

The company has adopted the amendment to Ind-AS 7, which require the entities to provide disclosures that enable users of financial Statements to evaluate changes in liabilities arising



from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material effect on the financial statements.

2.5 Functional and Presentation Currency

Items Included in the Financial Statements are measured using the currency of primary economic environment in which the Company operates (Functional Currency) The financial statements are presented in Indian Rupee (INR), which is functional as well as presentation currency of company.

- Transactions in foreign currency are recorded at the rate of exchange prevailing at the time the transactions are affected. Exchange differences arising on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.
- Monetary items denominated in foreign currency are restated and converted into Indian rupees using the exchange rate prevailing at the date of the Balance Sheet and the resulting exchange difference is recognized in the Statement of Profit and Loss.

2.6 Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost of asset includes the following:

- (a) Cost directly attributable to the acquisition of the assets
- (b) Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.

Cost of replacement, major inspection, repair of significant parts is capitalized if the recognition criteria are met. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from continued use of assets. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

As per management estimate there is no decommissioning, restoration or similar liabilities on its property, plant and equipment hence, no adjustment has been made in this regard.

Depreciation

- (a) Depreciation on Property, plant and Equipment is provided on Written down value method (WDV) over the useful life of the assets as specified in Schedule II of the Companies Act, 2013.
- (b) Each part of an item of Property, Plant and Equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of remaining asset.

The estimated useful life of assets for current and comparative period of significant items of property plant and equipment are as follows:

| Particulars | Useful Life (Years) |
|------------------------|----------------------------|
| Plant and Machinery | 20 |
| Building - factory | 30 |
| Building - others | 60 |
| Computers | 3 |
| Office Equipment's | 10 |
| Furniture and fixtures | 10 |
| Vehicles | 8 |



- (c) Depreciation methods, useful lives and residual values are reviewed at each reporting date. In the case of revision, the unamortised depreciable amount is depreciated on a prospective basis.

2.7 Intangible Assets

An intangible Asset is recognized where it is probable that the future economic benefits attributable to the assets will flow to the company and cost of the asset can be measured reliability. Intangible assets are stated at historical cost less accumulated amortization and impairment loss, if any.

Intangible assets are amortized over their respective estimated useful lives on a WDV basis (As per Companies Act) from the date that they are available for use.

2.8 Investment Property

- (a) Investment property comprises completed property, property under construction and property held under finance lease that is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.
- (b) Investment Properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- (c) The company depreciates building component of investment property over the life described in schedule II of companies Act, 2013 from the date of original purchase.
- (d) Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

The Company does not owned any investment property during the year.

2.9 Inventory

- (a) The consumption of raw materials is net of Input tax credit availed. Items of inventories are measured after providing for obsolescence, if any.
- (b) Inventory has been valued at moving weighted average cost (through SAP). In the case of finished goods cost comprises material, labour and factory overheads. Goods in process have been valued at the raw material cost incurred up to the stage of production plus conversion cost apportioned.

2.10 Provisions

Provisions are recognized in respect of liabilities which can be measured only by using a substantial degree of estimates when:-

- (a) The Company has a present obligation as a result of a past event,
- (b) It is Probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and,
- (c) The amount of the obligation can be reliably estimated

Provisions are reviewed at each Balance Sheet date.

Where the effect of the time value of money is material the amount of a provision shall be the present value of the expenditure expected to be required to settle the obligation.

2.11 Revenue Recognition

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



- (a) Sales have been accounted for exclusive of Goods and Service tax and are net of returns and discounts. Export benefits have been accounted for separately on accrual basis. The Export benefits are accrued on the date of export.
- (b) The company follows the accrual System of Accounting and on assumptions of an ongoing concern. Revenue is recognized only when it can be reliably measured.
- (c) Sales does not includes captive consumption and stock transfer.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable using Effective Interest rate Method.

Dividend is recognized when the shareholders right to receive payment is established, economic benefit will flow to the entity and amount can be measured reliably.

2.12 Leases

a) Company as a lessee

- (i) The Company Recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date , plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
- (ii) The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-to-use-asset or the end of the lease term. The estimated useful life of the right-to-use asset is determined on the same basis as those of property, plant and equipment. In addition, the right-to-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.
- (iii) The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.
- (iv) The lease liability is measured at amortized cost using the effective interest method, it is remeasured when there is a change in future lease payments from a change in an index or rate. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right -of-use asset, or is recorded in the profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.
- (v) The Company presents right-of-use asset that do not meet the definition of Investment property in the "Property plant and equipment" and lease liabilities in "other financial liabilities" in the Balance Sheet.
- (vi) Short term Lease and Leases of low value assets:-The Company has elected not to recognize right-of-use asset and lease liabilities for short term leases that have lease term of 12 months or less and leases of low value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall



assessment of whether the lease transfers substantially all the risk and rewards incidental to the ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not then it is an operating lease. As part of the assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognizes lease payments received under operating lease as income on a straight-line basis over the lease term as part of "Other Income".

2.13 Impairment of Non-Financial Assets

In accordance with Ind AS-36 Impairment of Assets, the carrying amounts of Company's assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment.

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired.

2.14 Borrowing Cost

The company incurred no borrowing cost attributable to the acquisition or construction of any qualifying assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and Loss.

2.15 Employee Benefits

(a) Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive etc. and the same are recognized in the period in which the employee renders the related services.

(b) Long Term Employee Benefits

Long-term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year based on report of Actuarial Valuation towards leave encashment & gratuity. The expenses are recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains or losses are recognized in other comprehensive income.

2.16 Taxes

(a) Current Income tax

Current tax is measured at the amount expected to be paid to the tax authorities using the applicable tax rates

Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Liability for additional taxes, if any, is provided / paid as and when assessments are completed/settlement of assesment. Current tax related to OCI Items is recognized in Other Comprehensive Income (OCI).

(b) Deferred Tax

Deferred income tax assets and liabilities are recognized for temporary differences which is computed using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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



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 utilized.

Deferred tax related to OCI Item are recognized in Other Comprehensive Income (OCI).

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period. However there is no unveiled MAT credit balance carried over for set off from earlier years. more over the company has opted for corporate tax as per newly inserted section 115BAA of Income Tax act where in provisions of mat will no longer be applicable on the company.

2.17 Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss (excluding OCI) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.18 Contingent Liabilities and Contingent Assets

- (a) Liabilities are disclosed in either of the following cases:
- (i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
 - (ii) A reliable estimate of the present obligation cannot be made; or
 - (iii) A possible obligation, unless the probability of outflow of resource is remote.
- (b) Contingent Liability is net of estimated provisions considering possible outflow on settlement.
- (c) Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Reporting date
- (d) Contingent assets are disclosed where an inflow of economic benefits is probable.

2.19 Investments in Subsidiaries, Joint venture and Associate

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

2.20 Fair Value Measurement

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

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



The principal or the most advantageous market must be accessible to 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 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.

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 identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or Indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.21 Dividend to Equity Shareholders

Dividend paid/payable is recognized in the year in which the related dividends are approved by shareholders and recommended by board of directors.

2.22 Financial Instruments

Initial recognition and measurement

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not 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.

a. Subsequent measurement

Financial Assets

Financial assets are classified in following categories:

a) At Amortized Cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (ii) 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 measured at amortised cost using effective interest rate method less impairment if any. The EIR amortisation is included in finance income in the statement of profit and loss.

b) At Fair Value Through Other Comprehensive Income (FVTOCL)

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.



Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned is recognised using the EIR method.

c) At Fair Value Through Profit and Loss (FVTPL)

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

In addition, the company may elect to designate financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. If doing so reduces or eliminates a measurement or recognition inconsistency. The company has not designated any financial asset as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Financial liabilities

a) Financial liabilities at Amortized Cost

Financial liabilities at amortised cost represented by trade and other payables, security deposits and retention money are initially recognised at fair value, and subsequently carried at amortized cost using the effective interest rate method.

b) Financial liabilities at FVTPL

The company has not designated any financial liabilities at FVTPL.

c) Derecognition

Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all risks and rewards of the ownership of the asset.

Financial Liability

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

d) Impairment of financial assets:

Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.



Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applies on whether there has been significant increase in credit risk.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss.

2.23 Non Current Assets held for Sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

If the criteria stated by Ind AS 105 “Non-current Assets Held for Sale and Discontinued Operations” are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognized had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

2.24 Events Occurring after Balance Sheet Date

Events occurring after Balance Sheet date are considered in the preparation of financial statements in accordance with Ind AS 10 (Contingencies and Events Occurring After Balance Sheet Date).



Note No. 3

Property, Plant and Equipment

Amount (₹ in Lakhs)

| Particulars | Land | Buildings | Plant and Machinery | Furniture & Fixtures | Office Equipment | Computers Haedwares Fixtures | Vehicles | R&D Equipment | Total |
|--|----------|-----------|---------------------|----------------------|------------------|------------------------------|----------|---------------|-----------|
| Cost or deemed cost | | | | | | | | | |
| At 1 April 2018 | 2,365.04 | 7,232.34 | 15,498.30 | 127.83 | 89.22 | 131.93 | 100.45 | 116.07 | 25,661.18 |
| Additions | - | 173.96 | 1,522.76 | 14.50 | 12.16 | 67.77 | 0.10 | 83.86 | 1,875.11 |
| Disposals/Adjustments | - | - | 60.07 | - | - | 10.22 | 5.53 | - | 75.82 |
| At 31st March 2019 | 2,365.04 | 7,406.30 | 16,960.99 | 142.33 | 101.38 | 189.48 | 95.02 | 199.93 | 27,460.47 |
| Additions | - | 1,529.25 | 5,986.84 | 5.53 | 9.21 | 18.03 | 16.01 | 28.38 | 7,593.25 |
| Disposals/Adjustments | | | | | | | | | - |
| At 31st March 2020 | 2,365.04 | 8,935.55 | 22,947.83 | 147.86 | 110.59 | 207.51 | 111.03 | 228.31 | 35,053.72 |
| Depreciation and impairment | | | | | | | | | |
| At 1 April 2018 | - | 2,798.23 | 7,713.89 | 83.23 | 60.20 | 119.91 | 65.24 | 59.93 | 10,900.63 |
| Depreciation charge for the year | | 435.70 | 1,160.41 | 14.25 | 9.83 | 35.02 | 11.94 | 21.56 | 1,688.71 |
| Impairment | | | | | | | | | - |
| Disposals/Adjustments | | - | 60.07 | - | - | 10.22 | 5.38 | - | 75.67 |
| At 31st March 2019 | - | 3,233.93 | 8,814.23 | 97.48 | 70.03 | 144.71 | 71.80 | 81.49 | 12,513.67 |
| Impact due to adoption of the Ind AS-116 | 88.92 | - | - | - | - | - | - | - | 88.92 |
| Depreciation charge for the year | 8.30 | 476.05 | 1,584.67 | 12.39 | 8.89 | 29.94 | 9.51 | 22.76 | 2,152.51 |
| Impairment | | | | | | | | | - |
| Disposals/Adjustments | | | | | | | | | - |
| At 31st March 2020 | 97.22 | 3,709.98 | 10,398.90 | 109.87 | 78.92 | 174.65 | 81.31 | 104.25 | 14,755.09 |
| Net book value | | | | | | | | | |
| At 31st March 2020 | 2,267.82 | 5,225.57 | 12,548.94 | 37.99 | 31.67 | 32.86 | 29.72 | 124.06 | 20,298.63 |
| At 31 March 2019 | 2,365.04 | 4,172.37 | 8,146.76 | 44.85 | 31.35 | 44.77 | 23.22 | 118.44 | 14,946.80 |



Note :- 3.1 Impairment of Assets (Ind AS- 36) : The Management periodically assess using, external and internal source, whether there is an indication that an assets may be impaired and Company foresee on such impairment indication as on the balance sheet date.

Note :- 3.2 Land includes leasehold lands by GIDC (Gujarat): (i) Factory land located at Dahej (Gujarat) valued ₹743.16 Lakhs (lease period starts from 11.08.2010 and is valid till 99 years); (ii) Residential Plot at Atali, Dahej (Gujarat), valued ₹78.50 Lakhs (lease period for 99 years), and (iii) Factory land located at Saykhea valued ₹1525.81 Lakhs (lease period starts from February'2018 and is valid till 99 years).

| Particulars | Amount (₹ in Lakhs) |
|--|----------------------------|
| NOTE NO. 4 : Capital Work in Progress | |
| At 1 April 2018 | 690.08 |
| Additions during the year | 2,846.98 |
| Adjustments/transferred during the year | - |
| At 31 March 2019 | 3,537.06 |
| Additions during the year | 1,767.66 |
| Adjustments/transferred during the year | 3,516.25 |
| At 31st March 2020 | 1,788.47 |
| Net Book Value | |
| At 31st March 2020 | 1,788.47 |
| At 31 March 2019 | 3,537.06 |
| NOTE NO. 5 : Intangible Assets | |
| Cost or deemed cost | |
| At 1 April 2018 | 37.63 |
| Additions | 78.07 |
| Disposals/Adjustments | - |
| At 31 March 2019 | 115.70 |
| Additions | - |
| Disposals/Adjustments | - |
| At 31st March 2020 | 115.70 |
| Amortisation and Impairment | |
| At 1 April 2018 | 26.28 |
| Amortisation for the year | 21.97 |
| Impairment | - |
| Disposals/Adjustments | - |
| At 31 March 2019 | 48.25 |
| Amortisation for the year | 41.55 |
| Impairment | - |
| Disposals/Adjustments | - |
| At 31st March 2020 | 89.81 |



| Particulars | Amount (₹ in Lakhs) |
|-----------------------|---------------------|
| Net Book Value | |
| At 31 March, 2020 | 25.89 |
| At 31 March, 2019 | 67.45 |

| Particulars | (₹ in Lakhs) |
|---|--------------|
| NOTE NO. 6 : Intangible Assets Under Development | |
| At 31 March, 2018 | 23.74 |
| Additions during the year | - |
| Adjustments | (23.74) |
| At 31 March, 2019 | - |
| Additions during the year | - |
| Adjustments | - |
| At 31 March, 2020 | - |
| Net Book Value | |
| At 31 March, 2020 | - |
| At 31 March, 2019 | - |

| Particulars | Amount (₹ in Lakhs) | |
|-------------|---------------------|-------------------|
| | 31 March, 2020 | 31 March, 2019 |

NOTE NO. 7 : Financial Assets Non Current

7.1 Investments

A. Investment in unquoted Equity Instruments

Unquoted-at-cost

69930 Equity Shares of ₹10/- each Fully Paid-up of Pattancheru Enviro-Tech Ltd. 6.99 6.99

1761 Equity Shares of ₹100/- each Fully Paid-up of Jeedimetla Effluent Treatment Ltd. 1.76 1.76

Investments in Joint Venture

(90,00,000 Equity Shares of Rs.10/- each Fully Paid-up of Nissan Bharat Rasayan Private Limited) 900.00 -

Total **908.75** **8.75**

Impairment - -

Market value of Investments **908.75** **8.75**

7.2 Others

(Considered Good:Unsecured)

Security Deposits 165.44 154.15

Total **165.44** **154.15**

Note 7.2.1:- Security deposits amounting ₹158.88 Lakhs (31st March, 2019- ₹146.06 Lakhs) is related to the Government Departments.



| Particulars | Amount (₹ in Lakhs) | |
|--|---------------------|-------------------|
| | 31 March, 2020 | 31 March, 2019 |
| NOTE NO. 8 : Other Non Current assets | | |
| Capital Advances | | |
| Advance for Capital Goods | 119.50 | 495.48 |
| Other Advances-GIDC | 25.00 | - |
| Total | 144.50 | 495.48 |
| NOTE NO. 9 : Inventories | | |
| Raw Materials and others | 6,550.90 | 7,672.23 |
| Finished Goods including WIP | 8,747.51 | 12,783.21 |
| Stores & Spares | 734.19 | 566.74 |
| Total | 16,032.60 | 21,022.18 |
| NOTE NO. 10 : Financial Assets Current | | |
| 10.1 Trade Receivables | | |
| Considered Good: Unecured | | |
| Trade receivables | 25,058.83 | 27,908.74 |
| Total | 25,058.83 | 27,908.74 |
| 10.2 Cash and Cash Equivalent | | |
| Cash in Hand | 5.30 | 4.90 |
| Foreign Currency in hand | - | - |
| Balances with banks:- | | |
| -- Current Account | 146.73 | 544.80 |
| -- EEFC Account | 3.79 | 1.01 |
| Deposits with original maturity of 3 months or less | 4,400.00 | - |
| Total | 4,555.82 | 550.71 |
| 10.3 Bank Balance Other than Cash and Cash Equivalents | | |
| Balances with Scheduled Bank | | |
| Dividend Account | 10.25 | 12.00 |
| Fixed Deposits (Margin Money) | 551.39 | 378.88 |
| Total | 561.64 | 390.88 |
| Note 10.3.1: ₹ 551.39 Lakhs [31st March, 2019 ₹378.88 Lakhs] represents fixed deposit placed with the banks against LC/BG issued. | | |
| 10.4 Other Financial Assets | | |
| Earnest Money Deposit | 2.40 | 11.14 |
| Interest Accrued On FDR | 53.56 | 39.47 |
| Insurance Claim Receivable | 1.50 | 18.27 |
| Total | 57.46 | 68.88 |



| Particulars | Amount (₹ in Lakhs) | |
|--|---------------------|-------------------|
| | 31 March, 2020 | 31 March, 2019 |
| NOTE NO. 11 : Current Tax Asset and Liability | | |
| Current tax Assets | | |
| Income tax refundable | 185.11 | 185.11 |
| Total | 185.11 | 185.11 |
| Current tax Liability | | |
| Provision for Income Tax (Net of advance tax & TDS) | 257.06 | 433.91 |
| Total | 257.06 | 433.91 |
| NOTE NO. 12 : Other Current Assets | | |
| Advance other than Capital advances | | |
| Advance to Vendors- for others | 2,986.30 | 2,778.05 |
| Others | | |
| Service Tax Cenvat Credit | 13.64 | 13.64 |
| Export Incentives Receivables | 687.17 | 706.38 |
| Central Excise and Custom Duties | 316.03 | 3.29 |
| GST Input tax Receivables | 1,300.97 | 2,487.47 |
| GST Refundable | - | 136.50 |
| GST Electronic Cash Ledger | 10.58 | 5.14 |
| Vat Adjustable/Refundable | - | 2.46 |
| Prepaid Expenses | 89.73 | 82.60 |
| Discount Receivable | 0.22 | 17.83 |
| Total | 5404.64 | 6233.36 |
| NOTE NO. 13 : Equity Share capital | | |
| Authorised share capital | | |
| 2,00,00,000 Equity shares of ₹10/- each (31st March, 2019: 2,00,00,000 Equity Share of ₹10/- each) | 2,000.00 | 2,000.00 |
| | 2,000.00 | 2,000.00 |
| Issued/Subscribed and Paid up Capital | | |
| 42,48,740/- Equity shares of ₹ 10 each (31st March, 2019: 42,48,740 Equity Share of ₹10/- each) | 424.87 | 424.87 |
| | 424.87 | 424.87 |



13.1 Details of shareholder holding more than 5% in the company

| Name of the shareholder | As at 31 March, 2020 | | As at 31 March, 2019 | |
|----------------------------|----------------------|------------------------|----------------------|------------------------|
| | No in Shares | % holding in the class | No in Shares | % holding in the class |
| Shri Sat Narain Gupta | 10,11,631.00 | 23.81 | 10,28,631.00 | 24.21 |
| S.N.Gupta & Sons (HUF) | 3,56,200.00 | 8.38 | 3,56,200.00 | 8.38 |
| Shri Mahabir Prasad Gupta | 4,22,800.00 | 9.95 | 4,22,800.00 | 9.95 |
| Shri Rajender Prasad Gupta | 4,92,631.00 | 11.60 | 3,31,544.00 | 7.80 |
| Total | 22,83,262.00 | 53.74 | 21,39,175.00 | 50.34 |

1. Rights, Preferences and Restrictions attaching to shares

Equity Shares: The Company has one class of Equity Shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

13.2 Reconciliation of the number of equity shares and share capital

| Particulars | As at 31 March, 2020 | | As at 31 March, 2019 | |
|---|----------------------|---------------|----------------------|---------------|
| | No of shares | (₹ in Lakhs) | No of shares | (₹ in Lakhs) |
| Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year | 42,48,740 | 424.87 | 42,48,740 | 424.87 |
| Add: Shares Issued during the year | - | - | - | - |
| Issued/Subscribed and Paid up equity Capital outstanding at the end of the year | 42,48,740 | 424.87 | 42,48,740 | 424.87 |

13.3 Aggregate no. of equity shares issued as fully paid by way of bonus during the period of five years immediately preceding the reporting date

| Particulars | As at | As at | As at | As at | As at |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| | 31 March, 2020 | 31 March, 2019 | 31 March, 2018 | 31 March, 2017 | 31 March, 2016 |
| | No. in Lakhs | No. in Lakhs | No. in Lakhs | No. in Lakhs | No. in Lakhs |
| Equity shares issued as Bonus | - | - | - | - | - |

Amount (₹ in Lakhs)

| Particulars | 31 March, 2020 | 31 March, 2019 |
|-------------------|------------------|------------------|
| General Reserve | 4,165.17 | 4,165.17 |
| Retained Earnings | 51,821.83 | 36,290.67 |
| Total | 55,987.00 | 40,455.84 |

NOTE NO. 14 : Other Equity



| Particulars | Amount (₹ in Lakhs) | |
|---|---------------------|-------------------|
| | 31 March, 2020 | 31 March, 2019 |
| 14.1 General Reserve | | |
| (a) General Reserve | | |
| As per last Balance sheet | 4,165.17 | 4,165.17 |
| Closing Balance | 4,165.17 | 4,165.17 |
| 14.2 Retained Earnings | | |
| (b) Retained Earnings | | |
| As per last Balance Sheet | 36,290.67 | 25,234.55 |
| Impact due to adoption of Ind AS-116 | (88.92) | - |
| Add: Profit after Tax | 15,764.19 | 11,152.43 |
| Less: Transfer to General Reserve | - | - |
| Less: Dividend declared and paid during the year | (63.73) | (63.73) |
| Less: Dividend distribution tax on dividend declared and paid | (13.10) | (13.10) |
| Items of Other comprehensive income recognised directly in retained earnings | | |
| Remeasurements of defined benefits plans, net of tax | (67.28) | (19.48) |
| Closing Balance | 51,821.83 | 36,290.67 |

Nature and Purpose of Other Reserves:

(a) Retained Earnings

Retained Earnings represents the undistributed profits of the Company.

(b) General Reserve

General Reserve represents the statutory reserves, this is in accordance with Corporate Law wherein a portion of profit is apportioned to General Reserve. Under Companies Act, 2013, the transfer of any amount to General Reserve is at the discretion of the Company.

Distributions Made and Proposed

Cash dividend on Equity shares declared and paid

| | | |
|--|--------------|---------------|
| Dividend paid during 2019-20: ₹ 1.50 per share (for the FY 2018-19: ₹ 1.50 per share) | 63.73 | 63.73 |
| Dividend distribution tax on final dividend | 13.10 | 13.10 |
| | 76.83 | 76.830 |



| Particulars | Amount (₹ in Lakhs) | |
|--|---------------------|-------------------|
| | 31 March, 2020 | 31 March, 2019 |
| Proposed Dividend on Equity shares* | | |
| Dividend for 31 March, 2020: ₹ 1.50 per share (31 March, 2019: ₹ 1.50 per share) | 63.73 | 63.73 |
| Dividend distribution tax on proposed dividend | 13.10 | 13.10 |
| | 76.83 | 76.83 |

NOTE NO. 15 : Financial Liability Non Current

15.1 Borrowings

Unsecured

Long Term Loans Others

From Directors*

| | | |
|--|-----------------|-----------------|
| | 2,200.00 | 4,000.00 |
| | 2,200.00 | 4,000.00 |

*During the FY 2019-20 Effective interest rate on loans taken from the Directors is 9.00% p.a (Financial Year - 2018-19: 9.00% p.a)

NOTE NO. 16 : Provisions for Employee Benefits

Leave Encashment

112.89

88.72

Gratuity

76.00

-

Total

188.89

88.72

Note: The provision for employee benefits includes retirement benefits of Leave encashment, for other disclosures refer Note no-40.

NOTE NO. 17 : Deferred Tax

Deferred tax Liabilities

(a) Depreciation and Amortisation

968.79

1,332.36

(b) Others

163.32

-

Total of Deferred Tax Liabilities

1,132.11

1,332.36

Deferred tax Assets

(a) Employee Benefits

88.61

38.25

Total of Deferred Tax Assets

88.61

38.25

Net Deferred Tax Liability/ (Assets)

1,043.50

1,294.11



| Particulars | Amount (₹ in Lakhs) | | | |
|--|---------------------|--|-------------------|----------|
| | Others | Property, Plant and Equipment, Intangible Assets | Employee Benefits | Total |
| Movement in deferred tax liability/ (asset) | | | | |
| At 1 April 2018 | - | 1,241.50 | (37.34) | 1,204.16 |
| Charged/(credited) during 2018-19 | | | | |
| To Profit & Loss | - | 90.86 | (0.91) | 89.95 |
| To other comprehensive income | - | - | - | - |
| At 31 March 2019 | - | 1,332.36 | (38.25) | 1,294.11 |
| Charged/(credited) during 2019-20 | | | | |
| To Profit & Loss | 163.32 | (363.57) | (50.36) | (250.61) |
| To other comprehensive income | - | - | - | - |
| At 31 March 2020 | 163.32 | 968.79 | (88.61) | 1,043.50 |

| Particulars | Amount (₹ in Lakhs) | |
|---|---------------------|------------------|
| | 31 March, 2020 | 31 March, 2019 |
| NOTE NO. 18 : Financial Liability Current | | |
| 18.1 Borrowings | | |
| Secured Loan | | |
| (i) Cash Credit | | |
| Cash Credit Accounts | 2,734.43 | 7,915.11 |
| Unsecured Loan | | |
| (i) Short Term Loans from Others | | |
| Other Short Term Loan | - | 8,500.00 |
| (ii) Short Term Loans from related parties | | |
| Related Parties | 4,451.27 | 4,284.33 |
| Total | 7,185.70 | 20,699.44 |

18.1.1 Secured Loans and Cash Credits :

| Particulars | Average Rate of Interest | Repayment Terms | Security |
|---|--|--|---|
| 1. Cash Credit Accounts (Charge on Current and Non-Current Assets of factories) | FY 2019-20:- SBI : 8.70% HDFC : 8.90% Yes Bank : 9% ICICI Bank : 8.85% FY 2018-19:- SBI : 8.50% HDFC : 8.70% Yes Bank : 9% | Cash Credit loan is payable on Demand. | Primary Security First charge on Currents Assets of the Company. Collateral (i) First Charge on Working Capital lenders on Fixed Assets of the Company(excluding land & Building of Dahej) and including (EM) of Land & Building and other fixed assets at Mokhra Rohtak. (ii) Second Charge on the Fixed assets at Dahej unit of the Company (Excluding Land & Building) for securing Working Capital facilities. |
| 2. Loans from Related Party | FY 2019-20:- Avg. 9.00% FY 18-19:- Avg. 9.00% | Payable on Demand. | Unsecured |



| Particulars | Amount (₹ in Lakhs) | |
|---|---------------------|-------------------|
| | 31 March, 2020 | 31 March, 2019 |
| 18.2 Trade Payables | | |
| a) Total Outstanding dues of Micro Enterprises and Small Enterprises | 413.18 | 379.59 |
| b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 3,510.66 | 4,077.10 |
| Total | 3,923.84 | 4,456.69 |

Trade Payables Includes of ₹413.18 lakhs (₹379.59 lakhs as on 31st March, 2019) due to MSME as on 31st March, 2020 as confirmed by the vendors.

Information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006:

| | | |
|---|--------|--------|
| (i) Amount remaining unpaid to any supplier: | | |
| Principal amount | 413.18 | 379.59 |
| Interest due thereon | NIL | NIL |
| (ii) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day. | NIL | NIL |
| (iii) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act. | NIL | NIL |
| (iv) Amount of interest accrued and remaining unpaid | NIL | NIL |
| (v) Amount of further interest remaining due and payable even in the succeeding years, 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 of MSMED Act | NIL | NIL |

18.3 Other Financial Liabilities

| | | |
|---|-----------------|-----------------|
| Retention Money | 112.95 | 102.70 |
| Unclaimed Dividend | 13.03 | 12.00 |
| Bonus Payable | 130.36 | 109.46 |
| Other Payables (including Expenses payable) | 3,375.43 | 3,304.57 |
| Total | 3,631.77 | 3,528.73 |

NOTE NO. 19 : Other Current Liabilities

Contract Liability

| | | |
|------------------------|-------|-------|
| Advance from Customers | 89.86 | 17.72 |
|------------------------|-------|-------|

Others

| | | |
|----------------|---------------|---------------|
| Statutory dues | 222.45 | 152.11 |
| Total | 312.31 | 169.83 |



| Particulars | Amount (₹ in Lakhs) | |
|---------------------------------|---------------------|-------------------|
| | 31 March, 2020 | 31 March, 2019 |
| NOTE NO. 20 : Provisions | | |
| Leave Encashment | 15.59 | 17.41 |
| Gratuity | 17.25 | - |
| Total | 32.84 | 17.41 |

| Particulars | Amount (₹ in Lakhs) | |
|--|------------------------------|------------------------------|
| | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
| NOTE NO. 21 : Revenue from operation | | |
| Revenue From Contracts with Customers | | |
| Gross Sales | 1,19,354.68 | 97,345.88 |
| Job Work Income | 1,084.50 | 963.64 |
| Other Operating Income | | |
| Export Incentives | 1,065.92 | 908.20 |
| Total | 1,21,505.10 | 99,217.72 |

| | | |
|-----------------------------------|-----------------|---------------|
| NOTE NO. 22 : Other Income | | |
| Exchange Difference (Net) | 1,480.17 | 169.84 |
| Interest received | 128.58 | 46.81 |
| Business Support Charges | 48.34 | 21.00 |
| Other Miscellaneous Income | 24.82 | 13.35 |
| Total | 1,681.91 | 251.00 |

| | | |
|---|------------------|------------------|
| NOTE NO. 23 : Cost of Materials Consumed | | |
| Opening Stock: Raw Materials & others | 7,672.23 | 3,476.88 |
| Purchases: Raw Materials & others | 77,948.49 | 76,685.33 |
| | 85,620.72 | 80,162.21 |
| Less : Closing Stock: Raw Materials & others | 6,550.90 | 7,672.23 |
| Total | 78,999.72 | 72,489.98 |

| | | |
|---|---------------|-----------------|
| NOTE NO. 24 : Purchase of Stock in trade | | |
| Purchase (Trading) | 878.38 | 3015.85 |
| Total | 878.38 | 3,015.85 |



| Particulars | Amount (₹ in Lakhs) | |
|--|------------------------------|------------------------------|
| | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
| NOTE NO. 25 : Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade | | |
| Opening Stock | | |
| Opening Stock | | |
| Finished Goods including WIP | 12,783.21 | 5,641.39 |
| | <u>12,783.21</u> | <u>5,641.39</u> |
| Closing Stock | | |
| Finished Goods including WIP | 8,747.51 | 12,783.21 |
| | <u>8,747.51</u> | <u>12,783.21</u> |
| Total | <u>4035.70</u> | <u>(7141.82)</u> |

NOTE NO. 26 : Employees Benefit Expenses

| | | |
|---|------------------------|------------------------|
| Salary, Wages & Bonus | #4,018.49 | 3,435.70 |
| Provision for Leave Encashment | 74.24 | 57.95 |
| Directors' Remuneration | 2,272.48 | 1,725.95 |
| Diwali Expenses | 14.23 | 6.09 |
| Premium for Group Gratuity | 31.02 | 74.51 |
| Employer's contribution to Provident Fund, ESI, LWF | 118.32 | 95.40 |
| Staff and Labour Welfare Expenses | 153.33 | 142.61 |
| Staff Bus Expenses | 153.51 | 133.51 |
| Keyman Insurance Premium | 18.70 | 11.30 |
| Ex-gratia | 54.37 | 52.86 |
| Total | <u>6,908.69</u> | <u>5,735.88</u> |

#Salary of ₹87.37 lakhs pertains to R&D, Dahej (Gujarat)

NOTE NO. 27 : Finance Costs

| | | |
|----------------------------------|------------------------|------------------------|
| Interest on Working Capital Loan | 716.37 | 860.11 |
| Interest on Others | 825.68 | 682.17 |
| Interest on Income Tax | 20.11 | 40.21 |
| Total | <u>1,562.16</u> | <u>1,582.49</u> |

NOTE NO. 28 : Depreciation & Amortization Costs

| | | |
|--|------------------------|------------------------|
| Depreciation on Tangible Assets (Refer Note-3) | 2,152.51 | 1,667.15 |
| Amortization on Intangible Assets (Refer Note-5) | 41.55 | 21.97 |
| Total | <u>2,194.06</u> | <u>1,689.12</u> |



| Particulars | Amount (₹ in Lakhs) | |
|--|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| NOTE NO. 29 : Other Expenses | | |
| <u>Manufacturing Expenses</u> | | |
| Environment, Health & Safety Expenses | 782.48 | 391.92 |
| Factory & Machinery Maintenance | 1957.01 | 1537.24 |
| Job Work Expenses | 121.15 | 74.09 |
| Laboratory Expenses | 86.3 | 61.34 |
| Power & Electricity | 2408.23 | 1933.62 |
| Packing Expenses | 64.81 | 39.71 |
| Water Expenses | 100.27 | 53.60 |
| Total (a) | 5,520.25 | 4,091.52 |
| <u>Administrative, Operating & Selling Expenses</u> | | |
| Advertisement & Publicity | 56.73 | 39.07 |
| AGM Expenses | 0.32 | 0.20 |
| Analysis / Registration Expenses | 113.50 | 130.26 |
| Bank Charges | 81.67 | 48.72 |
| Book Periodicals & Subscription | 11.56 | 41.05 |
| Building Repairs & Maintenance | 44.49 | 107.67 |
| Business Promotion Expenses | 40.55 | 38.13 |
| Cash Discount | 195.29 | 285.91 |
| Commission paid | 106.38 | 82.61 |
| Computer Expenses | 36.99 | 5.22 |
| Conveyance Expenses | 42.07 | 36.39 |
| Electricity Charges | 11.20 | 11.11 |
| Filing Fees | 0.44 | 0.08 |
| Freight & Forwarding Outward | 581.98 | 640.03 |
| General / Misc. Expenses | 36.17 | 32.34 |
| Hire Charges | 86.01 | 78.01 |
| Insurance Charges | 226.60 | 53.90 |
| Legal & Professional Fee | 110.68 | 179.63 |
| Listing Fee | 3.93 | 3.08 |
| Office Expenses | 16.69 | 20.25 |
| Payment to Auditors (Refer Note No-29.1) | 12.15 | 11.20 |
| Postage & Telephone expenses | 16.19 | 15.57 |
| Printing & Stationery expenses | 20.59 | 26.46 |
| R & D Expenses* | 137.23 | 158.16 |
| Rates & Taxes | 47.51 | 84.50 |



| Particulars | Amount (₹ in Lakhs) | |
|--------------------------------------|------------------------------|------------------------------|
| | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
| Rent paid | 12.21 | 11.86 |
| Security Expenses | 63.23 | 61.01 |
| GST paid | 28.02 | 35.76 |
| Tour & Travelling Expenses | 63.03 | 63.28 |
| Telephone and Communication Expenses | 16.48 | 17.32 |
| Vehicle Running & Maintenance | 10.54 | 8.46 |
| Rebates & Short / Excess | 16.93 | (11.97) |
| Total (b) | 2,247.36 | 2,315.27 |
| Grand Total | 7,767.61 | 6,406.79 |

***Note: R&D Expenses:-** The Company is registered as Research & Development Unit (R&D) with Ministry of Science & Technology, Govt. of India, Department of Scientific & Industrial Research, New Delhi, hence eligible for weighted deduction U/S 35(2AB) of the Income Tax Act on expenditure incurred for the purpose. Company is having two Research & Development Units (R&D), detail of the same are as under:-

| Status of R&D Unit | Recognized | Recognized |
|--|---------------|---------------|
| (i) Revenue Expenditure | 137.23 | 158.16 |
| (ii) Capital Expenditure | 28.38 | 266.51 |
| Total | 165.61 | 424.67 |
| Grand Total (I+II) | 165.61 | 424.67 |
| Eligible Deductions (Revenue+Capital net of depreciation) U/S 35(2AB) | 165.61 | 424.67 |

29.1: Payment to Auditors

Payment to Auditors comprises of the following:

| | | |
|---------------------------------------|--------------|--------------|
| Statutory Audit Fee | 9.00 | 8.25 |
| Cost Auditors and Secretarial Auditor | 3.15 | 2.95 |
| Total | 12.15 | 11.20 |

NOTE NO. 30 : Exceptional Items

| | | |
|--------------------------------|---------------|---------------|
| Profit on Sale of Fixed assets | - | (0.54) |
| Contribution/Donation | 321.04 | 177.61 |
| Total | 321.04 | 177.07 |



| Particulars | Amount (₹ in Lakhs) | |
|---|------------------------------|------------------------------|
| | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
| NOTE NO. 31 : Income Tax Expense | | |
| Current Income Tax Expenses | | |
| Current income tax charge | 4,946.81 | 4,318.34 |
| Adjustments in respect of current income tax of previous year | 59.26 | (47.37) |
| Total Current Tax Expenses | 5,006.07 | 4,270.97 |
| Deferred Income Tax Expense | | |
| In respect of the current year (For details Refer Note no 17) | (250.61) | 89.96 |
| Total Deferred Tax Expenses | (250.61) | 89.96 |
| Income tax expenses attributable to continuing operations | 4,755.46 | 4,360.93 |
| 31.1: Tax related to items recognised in OCI during the year | | |
| Net Loss/(Gain) on remeasurements of defined benefit plans | - | - |
| Income tax charged to OCI | - | - |
| 31.2 :Reconciliation between Tax Expense and the Accounting Profit | | |
| Accounting profit before tax from continuing operations | 20,452.37 | 15,493.88 |
| Accounting profit before income tax | 20,452.37 | 15,493.88 |
| At Statutory income tax rate of 25.17% (31st March, 2019 34.944%) | 5,147.45 | 5,414.18 |
| Adjustments in respect of current income tax of previous year# | 59.26 | (47.37) |
| Tax effect of amounts which are not deductible (taxable) in calculating Taxable income | (351.59) | 132.70 |
| Tax effect of amounts which are deductible in calculating Taxable income | (104.73) | (1,152.63) |
| Interest on Income tax impact | 5.06 | 14.05 |
| Total | 4,755.46 | 4,360.93 |



| Particulars | Amount (₹ in Lakhs) | |
|---|------------------------------|------------------------------|
| | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
| Effective Income Tax rate | 23.25% | 28.15% |
| Income Tax expenses reported in statement of profit and loss | 4,755.46 | 4,360.93 |
| Income tax attributable to a discontinued operation | | - |
| Income tax expenses reported in statement of Profit and loss | 4,755.46 | 4,360.93 |

For financial Year 2017-18 Company has claimed deductions U/S 80IA having tax effect of ₹47.37 lakhs being reflected in tax liability of FY 2018-19.

NOTE NO. 32 : Components of Other Comprehensive Income (OCI)

| | | |
|--|----------------|----------------|
| Remeasurement of Defined benefit plans | (67.28) | (19.48) |
| Tax component of remeasurements of defined benefit obligation | - | - |
| Total | (67.28) | (19.48) |

NOTE NO. 33 : Earnings per share (EPS) [in ₹]

Basic EPS

| | | |
|------------------------------|--------|--------|
| From continuing operation | 371.03 | 262.49 |
| From discontinuing operation | - | - |

Diluted EPS

| | | |
|------------------------------|--------|--------|
| From continuing operation | 371.03 | 262.49 |
| From discontinuing operation | - | - |

33.1 Basic/Diluted Earning per Share

The earnings and weighted average number of equity shares used in calculation of basic and diluted earning per share.

Profit attributable to equity holders of the company:

| | | |
|------------------------------|-----------|-----------|
| From Continuing operations | 15,764.19 | 11,152.43 |
| From discontinuing operation | - | - |

**Earnings used in calculation of
Basic/Diluted Earning Per Share**

| | |
|------------------|------------------|
| 15,764.19 | 11,152.43 |
|------------------|------------------|

Weighted average number of shares for the purpose
of basic/Diluted earnings per share

| | |
|-------|-------|
| 42.49 | 42.49 |
|-------|-------|



| Particulars | Amount (₹ in Lakhs) | |
|-------------|------------------------------|------------------------------|
| | Year ended 31 March, 2020 | Year ended 31 March, 2019 |

33.2 Diluted Earning per Share

The earnings and weighted average number of equity shares used in calculation of diluted earning per share:-

Profit attributable to equity holders of the Company:

| | | |
|------------------------------|-----------|-----------|
| Continuing operations | 15,764.19 | 11,152.43 |
| From discontinuing operation | | |

Earnings used in calculation of diluted Earning Per Share from continuing operations

| | |
|------------------|------------------|
| 15,764.19 | 11,152.43 |
|------------------|------------------|

The weighted number of equity shares for the purpose of diluted earning per share reconciles to the weighted average number of equity shares used in calculation of basic earning per share as follows:

| | | |
|---|-------|-------|
| Weighted average number of shares for the purpose of Basic Earnings Per Share | 42.49 | 42.49 |
|---|-------|-------|

Effect of Dilution :

| | | |
|---|--------------|--------------|
| Weighted average number of shares for the purpose of Diluted Earnings Per Share | 42.49 | 42.49 |
|---|--------------|--------------|

NOTE NO. 34 : Capital Management

The company objective to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that company can continue to provide maximum returns to share holders and benefit to other stake holders.

Further, company manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants. The company maintain an optimal capital structure of Debt equity to reduce the cost of capital. The company's debts includes interest bearing borrowings from Promoters/Directors.

| Particulars | Amount (₹ in Lakhs) | |
|----------------------------|-------------------------|-------------------------|
| | As at 31 March, 2020 | As at 31 March, 2019 |
| Borrowing (Note No. 15) | 2,200.00 | 4,000.00 |
| Net debt | 2,200.00 | 4,000.00 |
| Equity (Note No. 13) | 424.87 | 424.87 |
| Other equity (Note No. 14) | 55,987.00 | 40,455.84 |
| Total equity | 56,411.87 | 40,880.71 |
| Net Debt equity ratio | 04 : 96 | 09 : 91 |

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2020.



NOTE NO. 35 : Fair Value Measurements

Amount (₹ in Lakhs)

(i) Financial Instruments by Category

| Particulars | As at 31.03.2020 | | | As at 31.03.2019 | | |
|--|------------------|----------|------------------|------------------|----------|------------------|
| | FVTPL | FVTOCI | Amortized Cost | FVTPL | FVTOCI | Amortized Cost |
| Financial Assets | | | | | | |
| (i) Investments in unquoted Equity Instruments | 8.75 | - | 900.00 | 8.75 | - | - |
| (ii) Security Deposits | - | - | 165.44 | - | - | 154.15 |
| (iii) Trade Receivables | - | - | 25,058.83 | - | - | 27,908.74 |
| (iv) Cash and cash equivalents | - | - | 4,555.82 | - | - | 550.71 |
| (v) Bank Balance Other than (iv) above | - | - | 561.64 | - | - | 390.88 |
| (vi) Other financial Assets | - | - | 57.46 | - | - | 68.88 |
| Total Financial Assets | 8.75 | - | 31,299.19 | 8.75 | - | 29,073.36 |
| Financial Liabilities | | | | | | |
| (i) Borrowing | - | - | 9,385.70 | - | - | 24,699.44 |
| (ii) Trade payables | - | - | 3,923.84 | - | - | 4,456.69 |
| (iii) Other financial liabilities | - | - | 3,631.77 | - | - | 3,528.73 |
| Total Financial Liabilities | - | - | 16,941.31 | - | - | 32,684.86 |

(ii) Assets and liabilities which are measured at amortized cost for which fair values are disclosed.

Amount (₹ in Lakhs)

| Particulars | As at 31.03.2020 | | As at 31.03.2019 | |
|--|------------------|-----------------|------------------|------------------|
| | Carrying Value | Fair value | Carrying Value | Fair value value |
| Financial Assets | | | | |
| (i) Investments in unquoted Equity Instruments | 8.75 | 8.75 | 8.75 | 8.75 |
| (ii) Security Deposits | 165.44 | 165.44 | 154.15 | 154.15 |
| Total Financial Assets | 174.19 | 174.19 | 162.90 | 162.90 |
| Financial Liabilities | | | | |
| (i) Borrowing | 9,385.70 | 9,385.70 | 24,699.44 | 24,699.44 |
| Total Financial Liabilities | 9,385.70 | 9,385.70 | 24,699.44 | 24,699.44 |

(a) The carrying amounts of trade receivables, cash and cash equivalents, bank balance other than cash & cash equivalent, other financial assets, trade payables and other financial liabilities are considered to be the same as their fair values, due to short term nature.



- (b) Long term variable rate borrowings are evaluated by company on parameters such as interest rates, specific country risk factors and other risk factors. Based on this evaluation the fair value of such payables are not materially different from their carrying amount.
- (c) For Other Financial assets and liabilities that are measured at fair value, the carrying amount are equal to fair values.

Fair Value hierarchy as on 31.03.2020 **Amount (₹ in Lakhs)**

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|---------------|---------------|
| Financial Assets | | | | |
| (i) Investments in unquoted Equity Instruments | - | - | 8.75 | 8.75 |
| (ii) Security Deposits | - | - | 165.44 | 165.44 |
| | - | - | 174.19 | 174.19 |

Fair Value hierarchy as on 31.03.2020

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|------------------------------|---------|---------|-----------------|-----------------|
| Financial Liabilities | | | | |
| (i) Borrowing | - | - | 9,385.70 | 9,385.70 |
| | - | - | 9,385.70 | 9,385.70 |

Fair Value hierarchy as on 31.03.2019

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|---------------|---------------|
| Financial Assets | | | | |
| (i) Investments in unquoted Equity Instruments | | | 8.75 | 8.75 |
| (ii) Security Deposits | | | 154.15 | 154.15 |
| | - | - | 162.90 | 162.90 |

Fair Value hierarchy as on 31.03.2019

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|------------------------------|---------|---------|------------------|------------------|
| Financial Liabilities | | | | |
| (i) Borrowing | | | 24,699.44 | 24,699.44 |
| | - | - | 24,699.44 | 24,699.44 |

NOTE NO. 36 : Financial Risk Management

The Company's principal financial liabilities comprise Borrowings (including Cash Credits), Trade Payables and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operation. The Company's principal financial assets includes trade receivables, other receivables and cash and cash equivalents that derive directly from its operations.

The Company is expose to market risk, credit risk and liquidity risk. The company financial risk activities are governed by appropriated policies and procedures and that financial risk are identified, measured and managed in accordance with the companies policies and risk objectives. The board of directors reviews and agrees policies for managing each of these risk, which are summarized below:-

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises Interest rate risk. Financial instruments affected by market risk includes Borrowings.



b) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. The company manages its interest risk in accordance with the companies policies and risk objective.

c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The company is exposed to credit risk from its financial activities including trade receivable, Security deposits and other financial instruments. The maximum credit risk as on the reporting risk is equal to the carrying value of the financial instruments.

d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Company having Cash Credit facilities from various banks for maintaining the short term financial requirement.

NOTE NO. 37 : Key Sources of Estimation uncertainty

The followings are the key assumptions concerning the future, and the key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities with next financial year.

a) Fair valuation measurement and valuation process

The fair values of financial assets and financial liabilities are measured using the valuation techniques including DCF model. The inputs to these methods are taken from observable markets where possible, but where this it is not feasible, a degree of judgement is required in arriving at 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 of financial instruments.

b) Taxes

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which losses can be utilized significant management judgement is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable profit together with future tax planning strategies.

c) Useful Life of PPE

Company has defined useful life of property plant and equipment in accordance with Schedule-II of the Companies Act, 2013.

d) Leases

Ind AS-116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.



| S.No | Particulars | Amount (₹ in Lakhs)) | |
|---|---|----------------------|---------------------|
| | | As at 31.03.2020 | As at 31.03.2019 |
| NOTE NO. 38 : Contingent Liabilities | | | |
| i) | Guarantees Given to: | | |
| | Dakshin Gujarat Vij Company Limited, DAHEJ, GUJARAT | 193.55 | 150.24 |
| | The Commissioner of Customs | 10.00 | - |
| | Reliance Industry Limited | - | 20.00 |
| ii) | Surety given to Dy. Excise & Taxation Commissioner (S.T. Rohtak) | 8.16 | 8.16 |
| iii) | Surety given to Customs and Central Excise Commissioner, Jammu (J&K) | 1,600.00 | 1,600.00 |
| | | 1,811.71 | 1,778.40 |

38.1 : Contingent Assets

Company having contingent assets of ₹ 13.63/- lakhs as on 31st March, 2020 (₹ 13.63/- lakhs as on 31s March, 2019) from various customers in respect of claims against bounced cheques.

NOTE NO. 39 :

Related Party Disclosures

39.1 : Key Management Personnel

| S. No. | Name | Designation |
|--------|------------------------|---------------------------------------|
| 1 | Shri S.N.Gupta | Chairman & Managing Director |
| 2 | Shri M.P.Gupta | Whole Time Director |
| 3 | Shri R.P.Gupta | Whole Time Director |
| 4 | Shri Ajay Gupta | Executive Director |
| 5 | Shri K.P. Uniyal | Executive Director |
| 6 | Shri Pankaj Gupta | Independent & Non Excecutive Director |
| 7 | Shri Ram kanwar | Independent & Non Excecutive Director |
| 8 | Smt. Sujata Agarwal | Independent & Non Excecutive Director |
| 9 | Shri Suresh Kumar Garg | Independent & Non Excecutive Director |
| 10 | Shri Rajesh Gupta | Independent & Non Excecutive Director |
| 11 | Shri Rakesh Verma | Chief Financial Officer |
| 12 | Ms. Nikita Chadha | Company Secretary |

39.2 : Other Related Person & Related Entities

| S. No. | Name | Nature of Relationship |
|--------|-------------------|-------------------------|
| 1 | Smt. Sweety Gupta | Wife of Shri S.N.Gupta |
| 2 | Shri Dinesh Gupta | Son of Shri S.N.Gupta |
| 3 | Smt. Savita Gupta | Wife of Shri M.P. Gupta |
| 4 | Shri Vikas Gupta | Son of Shri M.P. Gupta |
| 5 | Smt. Manju Gupta | Wife of Shri R.P. Gupta |
| 6 | Shri Sahil Gupta | Son of Shri R.P. Gupta |
| 7 | Ms. Neha Gupta | Daughter of R.P Gupta |



Related Entities

S. No. Name

| | |
|---|--|
| 1 | Bharat Insecticides limited |
| 2 | B R Agrotech Limited |
| 3 | Bharat Agrochem LLP |
| 4 | S.N.Gupta & Sons (HUF) |
| 5 | M.P. Gupta & Sons (HUF) |
| 6 | R.P. Gupta & Sons (HUF) |
| 7 | Nissan Bharat Rasayan Ltd (JV Company) |

39.3 : Transaction with Related Parties

Amount (₹ in Lakhs)

| S. No. | Particulars | Nature of Transaction | Transaction during the Period | | Outstanding Amount Payable/(Receivables) | |
|--------|-------------------------------|---|--|---|--|-----------------------|
| | | | Year ended 31.03.2020 | Year ended 31.03.2019 | Year ended 31.03.2020 | Year ended 31.03.2019 |
| 1 | Shri S.N.Gupta | Managerial Remuneration Loan taken Loan repaid Interest on loan | 558.84 1,638.56 2,571.70 347.05 | 423.73 807.50 497.80 298.13 | - - 3,216.85 - | 3,837.64 |
| 2 | Shri M.P.Gupta | Managerial Remuneration Loan taken Loan repaid Interest on loan | 540.84 733.00 1,184.00 236.85 | 405.73 708.00 456.00 191.97 | - - 2,041.82 - | 2,279 |
| 3 | Shri R.P.Gupta | Managerial Remuneration Loan taken Loan repaid Interest on loan | 1,063.89 619.00 597.90 39.55 | 793.67 1,100.00 872.60 32.97 | - - 434.37 - | 377.67 |
| 4 | Shri Kamleshwar Prasad Uniyal | Managerial Remuneration | 42.82 | 0.15 | - | - |
| 5 | Shri Ajay Gupta | Managerial Remuneration | 66.10 | 57.85 | - | - |
| 6 | Shri Abhay Kumar Sharma | Managerial Remuneration | - | 44.87 | - | - |
| 7 | B R Agrotech Limited | Sales Job Work Paid Business Support Income Material purchased | 11,643.66 23.72 34.61 1,132.34 | 17,095.16 - - 3,554.97 | - 3,175.04 - - | 935.79 |
| 8 | Bharat Agrochem LLP | Material purchased Sales | 0.19 663.77 | 46.09 906.09 | 174.00 - | - |
| 9 | Bharat Insecticides Limited | Material purchased Rent paid Job Work (Income) Job Work (Paid) Business Support Income Business Support Expense Sales | 1,817.39 5.95 - 5.72 36.31 6.51 4,216.22 | 942.21 5.56 - 4.66 - - 4,584.72 | - - - 64.96 - - - | 1,269.09 |



Amount (₹ in Lakhs)

| S. No. | Particulars | Nature of Transaction | Transaction during the Period | | Outstanding Amount Payable/(Receivables) | |
|--------|-------------------------|-----------------------|-------------------------------|-----------------------|--|-----------------------|
| | | | Year ended 31.03.2020 | Year ended 31.03.2019 | Year ended 31.03.2020 | Year ended 31.03.2019 |
| 10 | Smt. Sweety Gupta | Loan received | - | 5.80 | - | 78.88 |
| | | Loan repaid | 4.65 | 4.05 | 80.42 | |
| | | Interest paid on Loan | 6.87 | 6.79 | - | |
| 11 | Shri Dinesh Gupta | Loan received | - | - | - | 8.22 |
| | | Loan Repaid | - | - | 8.90 | |
| | | Interest Paid on Loan | 0.74 | 0.69 | - | |
| 12 | M.P.Gupta & Sons (HUF) | Loan received | 140.00 | - | - | 209.91 |
| | | Loan Repaid | 83.00 | 54.00 | 284.66 | |
| | | Interest Paid on Loan | 19.71 | 19.62 | - | |
| 13 | Smt. Savita Gupta | Loan received | 733.80 | 5.00 | - | 88.62 |
| | | Interest Paid on Loan | 18.07 | 7.35 | 244.69 | |
| | | Loan Repaid | 594.00 | 12.00 | - | |
| 14 | Mr. Vikas Gupta | Loan received | 78.00 | - | - | 958.56 |
| | | Interest Paid on Loan | 66.34 | 79.81 | 5.28 | |
| | | Loan Repaid | 1,091.00 | - | - | |
| 15 | R.P.Gupta & Sons (HUF) | Loan received | - | - | - | 37.72 |
| | | Interest Paid on Loan | 1.00 | 6.61 | - | |
| | | Loan Repaid | 38.63 | 97.50 | - | |
| 16 | Smt. Manju Gupta | Loan received | 190.00 | 197.00 | - | 161.40 |
| | | Interest Paid on Loan | 13.07 | 15.93 | 204.17 | |
| | | Loan Repaid | 159.00 | 247.50 | - | |
| 17 | Mr. Sahil Gupta | Loan received | 235.00 | 198.00 | - | 237.68 |
| | | Interest Paid on Loan | 11.32 | 15.37 | 116.87 | |
| | | Salary Paid | 4.70 | 4.65 | - | |
| | | Loan Repaid | 366.00 | 58.00 | - | |
| 18 | Ms Neha Gupta | Loan received | - | - | - | - |
| | | Interest Paid on Loan | - | 0.89 | - | |
| | | Loan Repaid | - | 15.79 | - | |
| 19 | S.N. Gupta & Sons (HUF) | Loan Received | 4.00 | 8.00 | - | 8.32 |
| | | Loan Repaid | - | - | 13.25 | |
| | | Interest Paid on Loan | 1.03 | 0.36 | - | |
| | | Rent paid | 12.00 | 12.00 | - | |

Note:- Related Party Transactions are as identified by the Company.



NOTE NO. 40 : Retirement Benefits

The summarized position of Post-employment benefits and long term employee benefits recognized in the statement of Profit & Loss and Balance Sheet are under:-

(a) Change in the present value of the obligation Amount (₹ in Lakhs)

| Particulars | As at 31.03.2020 | | As at 31.03.2019 | |
|--|-------------------|-----------------------------|-------------------|-----------------------------|
| | Gratuity (Funded) | Leave Encashment (Unfunded) | Gratuity (Funded) | Leave Encashment (Unfunded) |
| Opening Present value of obligation | 337.20 | 106.13 | 266.02 | 87.51 |
| Interest Cost | 25.80 | 8.12 | 20.75 | 6.83 |
| Current service cost | 49.88 | 28.39 | 37.93 | 22.44 |
| Past service cost including curtailment gains/losses | - | - | - | - |
| Benefits paid | (22.57) | (52.39) | (6.80) | (44.60) |
| Actuarial loss/(gain) on obligations | 63.26 | 38.23 | 19.3 | 33.95 |
| Closing Present value of obligation | 453.56 | 128.48 | 337.20 | 106.13 |

(b) Change in present value of plan asset

| | | | | |
|--------------------------------------|---------|-----|--------|-----|
| Opening Fair value of plan assets | 377.78 | NIL | 304.99 | NIL |
| Difference in Opening | - | | | |
| Expected return on plan assets | 24.88 | NIL | 23.61 | NIL |
| Employers contribution | - | NIL | 55.98 | NIL |
| Benefits paid | (22.57) | NIL | (6.80) | NIL |
| Actuarial (loss)/gain on obligations | - | NIL | - | NIL |
| Closing Fair value of plan assets | 380.09 | NIL | 377.78 | NIL |

(c) Amount recognized in Balance Sheet

| | | | | |
|---|---------|----------|---------|----------|
| Estimated present value of obligations at end of the year | 453.56 | 128.48 | 337.20 | 106.13 |
| Fair value of plan assets at the end of year | 380.09 | - | 377.78 | - |
| Funded Status | (73.47) | (128.48) | 40.58 | (106.13) |
| Net liability recognized in balance sheet | 73.47 | 128.48 | (40.58) | 106.13 |

(d) Expense recognized in the Statement of Profit & Loss

| | | | | |
|--|--------|-------|--------|-------|
| Current service cost | 49.88 | 28.39 | 37.93 | 22.44 |
| Interest Cost | (3.11) | 8.12 | (3.04) | 6.83 |
| Actuarial Gain and loss | - | 38.23 | - | 33.95 |
| Total expenses recognized in Profit & Loss Account | 46.78 | 74.74 | 34.89 | 63.22 |



| Particulars | Amount (₹ in Lakhs) | | | |
|---|------------------------------|-----------------------------|------------------------------|-----------------------------|
| | As at 31.03.2020 | | As at 31.03.2019 | |
| | Gratuity (Funded) | Leave Encashment (Unfunded) | Gratuity (Funded) | Leave Encashment (Unfunded) |
| (e) Remeasurement recognized in Other Comprehensive Income | | | | |
| Actuarial gain/ (loss) for the year on Asset | (4.02) | - | (0.18) | - |
| Actuarial gain/ (loss) for the year on PBO | (63.26) | - | (19.30) | - |
| Unrecognized actuarial gain/ (loss) for the year | (67.28) | - | (19.48) | - |
| (f) Principal actuarial assumption as expressed as weighted average | | | | |
| Discount rate | 6.76% | 6.76% | 7.65% | 7.65% |
| Expected rate of salary increase | 5.00% | 5.00% | 5.00% | 5.00% |
| Method used | Projected Unit Credit Method | | Projected Unit Credit Method | |
| (g) Bifurcation of PBO at the end of year in Current and Non-Current | | | | |
| Current liability | | | | |
| (Amount due within one year) | 17.25 | 15.59 | 15.71 | 17.41 |
| Non-Current liability | | | | |
| (Amount due over one year) | 436.31 | 112.89 | 321.48 | 88.72 |
| Total PBO at the end of year | 453.56 | 128.48 | 337.19 | 106.13 |

(h) Sensitivity Analysis:

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the statement of financial position.

| Change in | Change in assumptions | Effect on Gratuity obligation | Effect on Leave Encashment |
|--------------------|-----------------------|-------------------------------|----------------------------|
| Discount Rate | +0.5% | (18.41) | (5.87) |
| | -0.5% | 19.82 | 6.38 |
| Salary Growth Rate | +0.5% | 20.07 | 6.46 |
| | -0.5% | (18.79) | (5.99) |

(i) Maturity Profile of Defined Benefit Obligation

Amount (₹ in Lakhs)

| S.No | Year | Gratuity -Amount | Leave-Amount |
|------|----------------|------------------|--------------|
| a) | 0 to 1 Year | 17.25 | 15.59 |
| b) | 1 to 2 Year | 22.49 | 3.07 |
| c) | 2 to 3 Year | 38.28 | 7.99 |
| d) | 3 to 4 Year | 24.52 | 5.97 |
| e) | 4 to 5 Year | 46.61 | 11.48 |
| f) | 5 to 6 Year | 27.18 | 5.55 |
| g) | 6 Year onwards | 277.23 | 78.84 |

NOTE NO. 41 : Corporate Social Responsibility

As per the requirement of the provisions of Companies Act, 2013, the Company has made Corporate Social Responsibility contribution.



Note 42 : 'Ind AS-115 'Revenue from contracts with Customers Disclosures

(a) Disaggregation of revenue

Below is the disaggregation of the Company's revenue from contracts with customers:

For the year ended March 31, 2020 **Amount (₹ in Lakhs)**

| Type of goods or service | Sale of Products | Job Work Income | Total |
|--|--------------------|-----------------|--------------------|
| Timing of satisfaction of performance obligation: | | | |
| Over time | - | - | - |
| At a point in time | 1,19,354.68 | 1,084.50 | 1,20,439.18 |
| Total | 1,19,354.68 | 1,084.50 | 1,20,439.18 |

Method for measuring performance obligation:

| | | | |
|---------------|--------------------|-----------------|--------------------|
| Input method | 1,19,354.68 | 1,084.50 | 1,20,439.18 |
| Output method | - | - | - |
| Total | 1,19,354.68 | 1,084.50 | 1,20,439.18 |

For the year ended March 31, 2019 **Amount (₹ in Lakhs)**

| Type of goods or service | Sale of Products | Job Work Income | Total |
|--|------------------|-----------------|------------------|
| Timing of satisfaction of performance obligation: | | | |
| Over time | - | - | - |
| At a point in time | 97,345.88 | 963.64 | 98,309.52 |
| Total | 97,345.88 | 963.64 | 98,309.52 |

Method for measuring performance obligation:

| | | | |
|---------------|------------------|---------------|------------------|
| Input method | 97,345.88 | 963.64 | 98,309.52 |
| Output method | - | - | - |
| Total | 97,345.88 | 963.64 | 98,309.52 |

(b) The Company has applied modified restrospective approach for the application of Ind AS 115 "Revenue from contracts with customers" and the effect is Nil on retained earnings as at April 1, 2019.

(c) Contract Balances **Amount (₹ in Lakhs)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------|----------------------|----------------------|
| Contract balances | | |
| Trade receivables (Note 10.1) | 25,058.83 | 27,908.74 |
| Contract assets | - | - |
| Contract liabilities (Note 19) | 89.86 | 17.72 |



- (i) Trade receivables are non-interest bearing and the customer profile include MNC, Public and Private sector enterprises. The Company's operating cycle is 12 months. General payment terms include payments with a credit period of 90 days.
- (ii) Contract assets is recognised over the period in which services are performed to represent the Company's right to consideration in exchange for goods or services transferred to the customer.

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-----------------------------|-----------------------------|
| Contract Asset at the beginning of the year | - | - |
| Transfer from Contract Asset to Trade Receivable | - | - |
| Contract Asset at the end of the year | - | - |

- (iii) Contract Liabilities represents the amount of advance received from Customers.

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-----------------------------|-----------------------------|
| Contract Liabilities at the beginning of the year | 17.72 | 30.36 |
| Contract Liabilities at the end of the year | 89.86 | 17.72 |

- (d) The following table shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities.

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-----------------------------|-----------------------------|
| Amount received as advance from customers | - | 30.36 |
| Amount recognised as a revenue during the year | 17.72 | 30.36 |
| Amount due to customers | - | - |

There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

43 Disclosure as required by Ind AS 1 "Presentation of Financial Statements"

Changes in significant accounting policies:

Policy of 'Leases' has been modified in the significant accounting policies due to the applicability of Ind AS 116 "Leases".

Ind AS 116 was notified with effect from April 1, 2019 which replaces Ind AS 17. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

The Company elected to use the transition practical expedient not to reassess whether contract is or contains lease at April 01, 2019. Instead, the Company applied the standards only to contracts that were previously identified as leases applying Ind AS 17.



The effect of adoption Ind AS 116 as at April 01 2019 (increase/(decrease)) is as follows:

(Rs in Lakhs)

| Particulars | Amount |
|---|----------------|
| Assets | |
| Property, plant and equipment | (88.92) |
| Prepayments | - |
| Total assets | (88.92) |
| Liabilities | |
| Financial liabilities - Lease liabilities | - |
| Total liabilities | - |
| Other Equity | (88.92) |

The Company has lease contracts for office buildings, land and godowns. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases.

Company has recognized the right of use assets under the head of the Property, Plant and Equipment as per the guidance given under Ind AS-116.

Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets equal the lease assets recognised under IAS 17). The requirements of Ind AS 116 were applied to these leases from April 01, 2019 by adjustment through modified retrospective method.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases. The lessee recognizes a lease liability measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application and correspondingly measured the right-of-use asset at an amount equal to the lease liability, adjusted for previously recognized prepaid or accrued lease payments.

The Company also applied the available practical expedients wherein it:

- (i) Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- (ii) Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application and the total lease term is less than 12 months
- (iii) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- (iv) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

44 Ind AS-116 "Leases Disclosures are as under:-

a) Company as a Lessee

The Company as a lessee has entered into various lease contracts, which includes lease of land, office space and godowns. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.



Right of Use Assets

Company has recognized the right of use assets under the head of the Property, Plant and Equipment as per the guidance given under Ind AS-116. The carrying amounts of right-of-use assets recognised and the movements during the year are disclosed below.

Amount (₹ in Lakhs)

| Particulars | As at 31st March 2020 |
|--|-----------------------|
| Balance at April 1, 2019 | 821.66 |
| Addition | - |
| Impact due to adoption of the Ind AS-116 | 88.92 |
| Depreciation charge during the year | 8.30 |
| Disposals/adjustments during the year | - |
| Balance at March 31, 2020 | 724.44 |

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:

Amount (₹ in Lakhs)

| Particulars | As at 31st March 2020 |
|----------------------------------|-----------------------|
| Balance at April 1, 2019 | - |
| Addition | - |
| Accredition of interest | - |
| Payments | - |
| Balance at March 31, 2020 | - |
| Current | - |
| Non-current | - |

Amounts recognised in Statement of Profit and Loss

Amount (₹ in Lakhs)

| Particulars | For the year ended 31st March 2020 |
|---|---------------------------------------|
| Depreciation expense of right-of-use assets | 8.30 |
| Interest expense on lease liabilities | - |
| Expense relating to short-term leases | 12.21 |
| | 20.51 |

45 Covid-19 Disclosures

The World Health Organisation (WHO) declared outbreak of novel Coronavirus (COVID -19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared nationwide lockdown on March 24, 2020 and ordered temporarily closure of non-essential businesses, imposed restrictions on the movement of goods and services, travel etc.

The plant operations of the Company were under shutdown due to nationwide lockdown. In view of the unprecedented COVID-19 pandemic and economic forecasts, the Management has assessed the recoverability of its assets including receivables & inventories. In such assessment, the Company has considered internal and external information upto the date of approval of these financial statements including economic forecasts. The Company has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.



Management continues to monitor the impact that the COVID-19 pandemic is having on the Company, the specialty chemical industry and the economies in which the Company operates.

(i) Financial performance

The Company believes that for the year 2019-20, there has been no significant impact of Covid19 pandemic on the financial performance of the Company in terms of revenue and profitability of the Company.

(ii) Liquidity

The Company has access to sufficient liquidity for its operation.

The Company expects to recover the carrying amount of its assets comprising property, trade receivables, deferred taxes, other financial and non-financial assets etc. in the ordinary course of business based on information available on current economic conditions.

(iii) Steps taken for smooth functioning

During the lockdown period, the Company has taken various steps towards rethinking the new normal for the business post COVID-19 lockdown. The working at non-critical locations of the Company was streamlined with work from home norms and roster for the employees as per the guidelines issued by the government authorities was finalised. Further, the Company has put in place stringent monitoring processes for COVID-19 ensuring the following:

- (i) Thermal Screening of all employees and visitors
- (ii) Sanitizing the premises and vehicles on regular basis
- (iii) Maintenance of social distancing at all work places
- (iv) Enforcing wearing of masks and regular cleaning of hands
- (v) Regular health updates of all the employees and their families

46 Disclosures in compliance with Ind AS 27 "Separate Financial Statements" are as under:

Bharat Rasayan Limited has established a Joint venture company "Nissan Bharat Rasayan Private Limited" with the Nissan Chemical Corporation by agreement dated 18.02.2020 in the investment proportion of the 30% and 70% respectively.

Equity investments in joint ventures are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

Investment in Joint Venture Company:

| Name Of Company | Principal Place of Business and Country of Incorporation | Principal Activities | Proportion of ownership interest and voting power held by the company |
|-----------------------|--|---------------------------------|---|
| Nissan Bharat Rasayan | India | Manufacturing of Agro-chemicals | 30.00% |

47 Operating segment are reported in the manner consistent with the internal reporting provided to chief operating decision maker(CODM). CODM has identified only one operating segment, hence no separate disclosure are required.

48 Events occurring after the Reporting date

Company has entered in agreement to sale for a land situated at DP 53-55 Sayakha-1 GIDC Industrial Estate Sayakha-392140 Taluka -Vagra District-Bharuch Gujarat with its Joint Venture Company "Nissan Bharat Rasayan Private Limited" for a sum of ₹1984.81/- lakhs on dated 21st May, 2020."

49 Approval of financial statement

The Standalone financial statements were approved for issue by the Board of Directors on 26th June, 2020.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BHARAT RASAYAN LIMITED**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited accompanying financial statements of BHARAT RASAYAN LIMITED ("the Company") and its joint venture company (both together referred to as the "Group"), which comprise the consolidated Balance Sheet as at March 31, 2020, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (Ind AS) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2020 and consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion 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 for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

| KEY AUDIT MATTERS | AUDITORS' RESPONSES |
|--|---|
| REVENUE RECOGNITION Estimation of provision for sales returns, discounts, rebates, schemes and incentives on sales impacting revenue from sale of products Revenue from sale of products is presented net of returns, discounts, rebates, schemes and incentives in the consolidated Ind AS financial statement. | PRINCIPAL AUDIT PROCEDURES PERFORMED We obtained the understanding of the Company's process, policies and procedures in making the estimates in the given areas of sales return, discount, rebates, scheme, incentives and performed the following procedures: We evaluated and tested the design and operating effectiveness of controls related to these |



| KEY AUDIT MATTERS | AUDITORS' RESPONSES |
|--|---|
| The estimates associated with sales returns, discounts, rebates, schemes and incentives on sale of products have been identified as a key audit matter as it is having a significant impact on the recognized revenue and the management is required to make certain judgements in respect of revenue recognition and level of expected rebates/discounts and returns which are deducted in arriving at revenue. Management is required to consider historical experience, specific contractual terms and future expectation of revenue to determine these estimates. Also factors such as current and expected operating environment, action of third parties and weather conditions have a significant impact on management's judgement. | <p>estimates. We assessed the assumptions used by the management in determining the amount of provisions by studying the market conditions and obtaining an understanding of key contractual agreements.</p> <p>We considered the accuracy of management's estimates in previous years by comparing historical accrued liabilities with their subsequent settlement, ratio analysis of sales return, discounts, rebates, schemes and incentive as a percentage of sale of last few years.</p> <p>We verified if any credit notes were issued and/or their adjustment after the balance sheet date and their impact on financial statements.</p> |

Information Other than the Financial Statements and Auditors' Report Thereon

- The Company's management & Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report, 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 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 the fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013, ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs, consolidated Statement of Profit and Loss (including Other Comprehensive Income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going



concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Ind AS 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance. 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 Ind AS financial statements.

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

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

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. Also, we are responsible for the direction, supervision and performance of the unaudited financial information of Joint Venture Company Nissan Bharat Rasayan Pvt Ltd included in the consolidated Financial Results duly approved and furnished to us by the Management who remain responsible for the actions carried out by them. We remain solely responsible for our Audit opinion. Our responsibilities in this regard are further described in paragraph of section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the 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

The Accompanying Statement includes the financial Statements and other financial Information, in respect of the Joint Venture Company M/s Nissan Bharat Rasayan Pvt Ltd whose Financial Statements includes total Assets of ₹ 3004.10 Lakh as on 31st March, 2020 and total Revenues of ₹ 4.20 Lakh (Interest Income on FDR from Bank), Total Net Profit After Tax ₹ Nil, Total Comprehensive Income of ₹ Nil, for the Quarter and the year ended on that date respectively and net cash outflows of ₹ (116.53 Lakh) for the year ended 31st March, 2020.

These Unaudited Financial Statements have been approved and furnished to us by the Management and our opinion on the statements in so far as it relates to the amounts and disclosures included in respect of this Joint Venture, is based solely on such unaudited Financial Statements. In our opinion and according to the information and explanations given to us by the Management these Financial Statements are not Material to the Group.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the reports, statements and Financial Information certified by the Management.

Report on other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of separate financial statements of the Joint Venture company as noted in the "Other Matters" paragraph we report, to the extent applicable that:
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors of the Company as on 31st March, 2020 taken on record by the Board of Directors of the Company and the reports



of its joint venture companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
- (g) With respect to the other matters to be included in the Auditors' 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:
- I. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Notes to the consolidated financial statements.
 - II. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts
 - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its joint venture company incorporated in India.
3. With respect to the matter to be included in the Auditors' report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

NEW DELHI
JUNE 26, 2020

For R.D.GARG & CO.
CHARTERED ACCOUNTANTS
Sd/-
R.D. Garg
Proprietor
Membership No 007526
(Firm Registration No 001776N)



**ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT
ON CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT RASAYAN LIMITED**

Report on the Internal Financial Controls with Reference to the Aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in Paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' Section of our Report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Bharat Rasayan Limited ("the Company") as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Company, as of that date. In our opinion, the Company, has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note")

Management's Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal controls stated in the Guidance Note. These responsibilities included 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 the 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 Act.

Auditors Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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



We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to consolidated financial statements.

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 controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records 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 expenditure of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls with reference to consolidated financial statements issued by the Institute of Chartered Accountants of India.

NEW DELHI
JUNE 26, 2020

For **R.D.GARG & CO.**
CHARTERED ACCOUNTANTS
Sd/-
R.D. Garg
Proprietor
Membership No 007526
(Firm Registration No 001776N)



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2020

Amount (₹ in Lakhs)

| Particulars | Note No. | As at 31 March, 2020 | | As at 31 March, 2019 | |
|---|----------|----------------------|-------------------------|----------------------|-------------------------|
| I. ASSETS | | | | | |
| 1 Non-current assets | | | | | |
| (a) Property, Plant and equipment | 3 | 20,298.63 | | 14,946.80 | |
| (b) Capital work-in-progress | 4 | 1,788.47 | | 3,537.06 | |
| (c) Other Intangible assets | 5 | 25.89 | | 67.45 | |
| (d) Intangible Assets under Development | 6 | - | | - | |
| (e) Financial Assets | 7 | | | | |
| (i) Investments | 7.1 | 908.75 | | 8.75 | |
| (ii) Others | 7.2 | 165.44 | | 154.15 | |
| (f) Other Non Current assets | 8 | <u>144.50</u> | 23,331.68 | <u>495.48</u> | 19,209.69 |
| 2 Current assets | | | | | |
| (a) Inventories | 9 | 16,032.60 | | 21,022.18 | |
| (b) Financial Assets | 10 | | | | |
| (i) Trade Receivables | 10.1 | 25,058.83 | | 27,908.74 | |
| (ii) Cash and cash equivalents | 10.2 | 4,555.82 | | 550.71 | |
| (iii) Bank Balance Other than (ii) above | 10.3 | 561.64 | | 390.88 | |
| (iv) Others | 10.4 | 57.46 | | 68.88 | |
| (c) Current Tax Assets(Net) | 11 | 185.11 | | 185.11 | |
| (d) Other Current assets | 12 | <u>5,404.64</u> | <u>51,856.10</u> | <u>6,233.36</u> | <u>56,359.86</u> |
| Total Assets | | | <u>75,187.78</u> | | <u>75,569.55</u> |
| II. EQUITY AND LIABILITIES | | | | | |
| 1 Equity | | | | | |
| (a) Equity Share Capital | 13 | 424.87 | | 424.87 | |
| (b) Other Equity | 14 | <u>55,987.00</u> | 56,411.87 | <u>40,455.84</u> | 40,880.71 |
| 2 Liabilities | | | | | |
| Non-current liabilities | | | | | |
| (a) Financial Liabilities | 15 | | | | |
| (i) Borrowing | 15.1 | 2,200.00 | | 4,000.00 | |
| (b) Provisions | 16 | 188.89 | | 88.72 | |
| (c) Deferred Tax Liability (Net) | 17 | <u>1,043.50</u> | | <u>1,294.11</u> | |
| | | | 3,432.39 | | 5,382.83 |
| 3 Current liabilities | | | | | |
| (a) Financial Liabilities | 18 | | | | |
| (i) Borrowing | 18.1 | 7,185.70 | | 20,699.44 | |
| (ii) Trade payables | 18.2 | | | | |
| a) Total Outstanding dues of Micro Enterprises and Small Enterprises | | 413.18 | | 379.59 | |
| b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | | 3,510.66 | | 4,077.10 | |
| (iii) Others | 18.3 | 3,631.77 | | 3,528.73 | |



Bharat RASAYAN LIMITED
31st Annual Report 2019-2020

| Particulars | Note No. | Amount (₹ in Lakhs) | | | |
|---|----------|----------------------|------------------|----------------------|------------------|
| | | As at 31 March, 2020 | | As at 31 March, 2019 | |
| (b) Other Current liabilities | 19 | 312.31 | | 169.83 | |
| (c) Provisions | 20 | 32.84 | | 17.41 | |
| (d) Current Tax liability (Net) | 11 | 257.06 | 15,343.52 | 433.91 | 29,306.01 |
| Total Equity and Liabilities | | | 75,187.78 | | 75,569.55 |
| General Information | 1 | | | | |
| Summary of Significant Accounting Policies | 2 | | | | |
| The Notes are an integral part of these financial statements | 3 to 50 | | | | |

As per our Report of even date attached
for **R.D. GARG & CO.**

CHARTERED ACCOUNTANTS
Sd/-

CA R.D.GARG
Proprietor

Membership No.: 007526

Firm Regn. No.: 001776N

NEW DELHI

Date: 26/06/2020

FOR & ON BEHALF OF THE BOARD

Sd/-

S.N. GUPTA

Chairman & Managing Director

DIN: 00024660

Sd/-

RAKESH VERMA

Chief Financial Officer

PAN: ABZPV9075C

Sd/-

R.P. GUPTA

Whole Time Director

DIN : 00048888

Sd/-

NIKITA CHADHA

Company Secretary

PAN: AYEPB8734G



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

| Particulars | Note No. | Amount (₹ in Lakhs) | |
|--|----------|------------------------------|------------------------------|
| | | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
| I. Revenue : | | | |
| Revenue from operations | 21 | 121,505.10 | 99,217.72 |
| II. Other income | 22 | 1,681.91 | 251.00 |
| III. Total Income (I + II) | | 123,187.01 | 99,468.72 |
| IV. Expenses: | | | |
| Cost of Material Consumed | 23 | 78,999.72 | 72,489.98 |
| Purchase of Stock-in-Trade | 24 | 878.38 | 3,015.85 |
| Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade | 25 | 4,035.70 | -7,141.82 |
| Excise duty on Goods | | - | - |
| Employee Benefit Expenses | 26 | 6,908.69 | 5,735.88 |
| Finance Costs | 27 | 1,562.16 | 1,582.49 |
| Depreciation and Amortization Expense | 28 | 2,194.06 | 1,689.12 |
| Other Expenses | 29 | 7,767.61 | 6406.79 |
| Total Expenses (IV). | | 102,346.32 | 83,778.29 |
| V. Profit before share of an joint venture and exceptional items (III-IV) | | 20,840.69 | 15,690.43 |
| VI. Share of Profit of a joint venture | | - | - |
| VII. Profit before exceptional items and Tax | | 20,840.69 | 15,690.43 |
| VIII. Exceptional items | 30 | 321.04 | 177.07 |
| IX Profit/(Loss) before tax (VII - VIII) | | 20,519.65 | 15,513.36 |
| X Tax expense: | 31 | | |
| (1) Current tax | | | |
| - For the year | | 4,946.81 | 4,318.34 |
| - For earlier years | | 59.26 | (47.37) |
| (2) Deferred tax (net) | | (250.61) | 89.96 |
| Total Tax Expense (X) | | 4,755.46 | 4,360.93 |
| XI Profit/(loss) for the period from continuing operation (IX-X) | | 15,764.19 | 11,152.43 |
| XII Profit/(loss) from discontinued operations | | - | - |
| XIII Tax Expense of discontinued operations | | - | - |
| XIV Profit/(loss) from discontinued operations (after tax) (XII-XIII) | | - | - |
| XV Profit/(loss) for the period (XI+XIV) | | 15,764.19 | 11,152.43 |
| XVI Other Comprehensive Income | | | |
| Items that will not be reclassified to profit and loss | 32 | | |
| Remeasurement gains (losses) on defined benefit plans | | (67.28) | (19.48) |
| Income tax effect on Remeasurement gains (losses) on defined benefit plans | | | |
| XVII Total Comprehensive Income for the period (XV +XVI) (Comprehensive profit and other comprehensive income for the period) | | 15,696.91 | 11,132.95 |
| XVIII Earnings Per Equity Share (in ₹): | 33 | | |
| (For Continuing Operation) | | | |
| (1) Basic | | 371.03 | 262.49 |
| (2) Diluted | | 371.03 | 262.49 |



Bharat RASAYAN LIMITED
31st Annual Report 2019-2020

| Particulars | Note No. | Amount (₹ in Lakhs) | |
|--|----------|------------------------------|------------------------------|
| | | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
| XVIV Earnings Per Equity Share (in ₹): (For discontinuing Operation) | | | |
| (1) Basic | | | |
| (2) Diluted | | | |
| XV Earnings Per Equity Share (in ₹): (For discontinuing and continuing Operation) | | | |
| (1) Basic | | 371.03 | 262.49 |
| (2) Diluted | | 371.03 | 262.49 |
| General Information | 1 | | |
| Summary of Significant Accounting Policies | 2 | | |
| The Notes are an integral part of these financial statements | 3 to 50 | | |

As per our Report of even date attached

for **R.D. GARG & CO.**

CHARTERED ACCOUNTANTS

Sd/-

CA R.D.GARG

Proprietor

Membership No.: 007526

Firm Regn. No.: 001776N

NEW DELHI

Date: 26/06/2020

FOR & ON BEHALF OF THE BOARD

Sd/-

S.N. GUPTA

Chairman & Managing Director

DIN: 00024660

Sd/-

RAKESH VERMA

Chief Financial Officer

PAN: ABZPV9075C

Sd/-

R.P. GUPTA

Whole Time Director

DIN : 00048888

Sd/-

NIKITA CHADHA

Company Secretary

PAN: AYEPB8734G



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

Amount (₹ in Lakhs)

| Particulars | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
|--|------------------------------|------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before income tax & extraordinary items | 20,519.65 | 15,513.36 |
| Adjustments for | | |
| Depreciation | 2,194.06 | 1,710.68 |
| (Profit) / Loss on sale of fixed assets | - | 0.54 |
| Long Term Capital Gain | - | - |
| Interest Received & Accrued | (128.58) | (46.81) |
| Interest paid | 1,562.16 | 1,582.49 |
| (Profit)/Loss of sale of Investments (Profit) | - | - |
| Other Comprehensive Income | (67.28) | (19.48) |
| Effect of Exchange differences on translation of Foreign Currency | (1,480.17) | (169.84) |
| | <u>2,080.19</u> | <u>3,057.58</u> |
| Operating Profit before working Capital Changes | <u>22,599.84</u> | <u>18,570.94</u> |
| Adjustments for | | |
| (Increase)/Decrease in Trade Receivables | 2,849.91 | (5,747.80) |
| (Increase)/Decrease in Inventories | 4,989.57 | (11,604.70) |
| (Increase)/Decrease in Non-Current Financial Assets Loans | (11.29) | - |
| (Increase)/Decrease in Other Non Current assets | 350.98 | (371.38) |
| Decrease / (Increase) in Other current financial asset | 25.51 | (7.50) |
| Decrease / (Increase) in Other Current assets | 828.72 | (3,899.60) |
| (Decrease) / Increase in Long term Provisions | 100.17 | 9.82 |
| (Decrease) / Increase in Current Trade Payables | (532.85) | 919.23 |
| (Decrease) / Increase in Other financial Liability | 103.04 | 1,231.51 |
| (Decrease) / Increase in Other Liabilities | 142.48 | 9.52 |
| (Decrease) / Increase in Short term Provisions | 15.43 | 8.79 |
| | <u>8,861.67</u> | <u>(19,452.11)</u> |
| Cash generated from operations | <u>31,461.51</u> | <u>(881.17)</u> |
| Direct Taxes Paid | <u>(5,203.03)</u> | <u>(4,350.36)</u> |
| NET CASH FROM OPERATING ACTIVITIES | <u>26,258.48</u> | <u>(5,231.53)</u> |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Net Investment in Shares & Units | 900.00 | 0.02 |
| Addition to fixed assets (Project) | (5,844.66) | (4,777.49) |
| Proceeds from sale of fixed assets | - | 0.68 |
| (Profit)/Loss of sale of Investments (Profit) | - | - |
| Interest received | 114.49 | 35.26 |
| Decrease / (Increase) in Bank Balance other than those taken to Cash and Cash Equivalent | (170.76) | (15.31) |
| NET CASH FROM INVESTING ACTIVITIES | <u>(6,800.93)</u> | <u>(4,756.84)</u> |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net Proceed/Repayment of borrowings | (15,313.74) | 11,865.07 |
| Dividend paid | (63.73) | (63.73) |
| Dividend Distribution tax paid | (13.10) | (13.10) |
| Interest paid | (1,542.05) | (1,542.28) |
| NET CASH FROM FINANCING ACTIVITIES | <u>(16,932.62)</u> | <u>10,245.96</u> |



Bharat RASAYAN LIMITED
31st Annual Report 2019-2020

| Particulars | Amount (₹ in Lakhs) | |
|---|------------------------------|------------------------------|
| | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
| D. Effect of Exchange differences on translation of Foreign Currency | 1,480.17 | 169.84 |
| Net increase/(Decrease) in cash & cash equivalents (A+B+C+D) | 4,005.11 | 427.43 |
| Cash and cash equivalents as at 01.04.2019 | 550.71 | 123.28 |
| Cash and cash equivalents as at 31.03.2020 | 4,555.82 | 550.71 |

As per our Report of even date attached

for **R.D. GARG & CO.**

CHARTERED ACCOUNTANTS

Sd/-

CA R.D.GARG

Proprietor

Membership No.: 007526

Firm Regn. No.: 001776N

NEW DELHI

Date: 26/06/2020

FOR & ON BEHALF OF THE BOARD

Sd/-

S.N. GUPTA

Chairman & Managing Director

DIN: 00024660

Sd/-

RAKESH VERMA

Chief Financial Officer

PAN: ABZPV9075C

Sd/-

R.P. GUPTA

Whole Time Director

DIN : 00048888

Sd/-

NIKITACHADHA

Company Secretary

PAN: AYEPB8734G



STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH, 2020

| Particulars | Number of shares | (₹ in Lakhs) |
|--|---------------------|---------------|
| A. Equity Share Capital | | |
| Balance as at April 1, 2019 | 4,248,740.00 | 424.87 |
| Issue of equity shares capital during the year | - | - |
| Balance as at March 31, 2020 | 4,248,740.00 | 424.87 |

| Particulars | Reserves & Surplus | | Total |
|---|--------------------|-------------------|------------------|
| | General Reserve | Retained Earnings | |
| B. Other Equity | | | |
| Balance at the beginning of the year | 4,165.17 | 36,290.67 | 40,455.84 |
| Changes in accounting policy or prior period errors | - | - | - |
| Restated balance at the beginning of the year | 4,165.17 | 36,290.67 | 40,455.84 |
| Profit for the year | | 15,764.19 | 15,764.19 |
| Other Comprehensive Income for the year (net of income tax) | - | (67.28) | (67.28) |
| Total Comprehensive Income for the year | - | 15,696.91 | 15,696.91 |
| Payment of dividend on equity shares | - | (63.73) | (63.73) |
| Payment of dividend tax on dividend paid to equity shares | | (13.10) | (13.10) |
| Impact due to adoption of Ind As-116 | | (88.92) | (88.92) |
| Transfer to general reserves | - | - | - |
| Balance at the end of the year | 4,165.17 | 51,821.83 | 55,987.00 |

As per our Report of even date attached
for **R.D. GARG & CO.**

CHARTERED ACCOUNTANTS

Sd/-

CAR.D.GARG

Proprietor

Membership No.: 007526

Firm Regn. No.: 001776N

NEWDELHI

Date: 26/06/2020

FOR & ON BEHALF OF THE BOARD

Sd/-

S.N. GUPTA

Chairman & Managing Director

DIN: 00024660

Sd/-

RAKESH VERMA

Chief Financial Officer

PAN: ABZPV9075C

Sd/-

R.P. GUPTA

Whole Time Director

DIN: 00048888

Sd/-

M.P.GUPTA

Whole Time Director

DIN: 00014681

Sd/-

NIKITA CHADHA

Company Secretary

PAN: AYEPB8734G



STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH, 2019

| Particulars | Number of shares | (₹ in Lakhs) |
|--|---------------------|---------------|
| A. Equity Share Capital | | |
| Balance as at April 1, 2018 | 4,248,740.00 | 424.87 |
| Issue of equity shares capital during the year | - | - |
| Balance as at March 31, 2019 | 4,248,740.00 | 424.87 |

| Particulars | Reserves & Surplus | | Total |
|---|--------------------|-------------------|------------------|
| | General Reserve | Retained Earnings | |
| B. Other Equity | | | |
| Balance at the beginning of the year | 4,165.17 | 25,234.55 | 29,399.72 |
| Changes in accounting policy or prior period errors | - | - | - |
| Restated balance at the beginning of the year | 4,165.17 | 25,234.55 | 29,399.72 |
| Profit for the year | | 11,152.43 | 11,152.43 |
| Other Comprehensive Income for the year (net of income tax) | - | (19.48) | (19.48) |
| Total Comprehensive Income for the year | - | 11,132.95 | 11,132.95 |
| Payment of dividend on equity shares | - | (63.73) | (63.73) |
| Payment of dividend tax on dividend paid to equity shares | | (13.10) | (13.10) |
| Transfer to general reserves | - | | - |
| Balance at the end of the year | 4,165.17 | 36,290.67 | 40,455.84 |

As per our Report of even date attached
for **R.D. GARG & CO.**

CHARTERED ACCOUNTANTS

Sd/-

CAR.D.GARG

Proprietor

Membership No.: 007526

Firm Regn. No.: 001776N

NEWDELHI

Date: 26/06/2020

FOR & ON BEHALF OF THE BOARD

Sd/-

S.N. GUPTA

Chairman & Managing Director

DIN: 00024660

Sd/-

RAKESH VERMA

Chief Financial Officer

PAN: ABZPV9075C

Sd/-

R.P. GUPTA

Whole Time Director

DIN: 00048888

Sd/-

M.P. GUPTA

Whole Time Director

DIN: 00014681

Sd/-

NIKITA CHADHA

Company Secretary

PAN: AYEPB8734G



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

1. General Information

Bharat Rasayan Limited (Holding Company) is a public limited company domiciled in India and was incorporated on May 15, 1989 for the business of manufacturing the Pesticides. It is a backward integration project to manufacture Technical Grade Pesticides and Intermediates conforming to International Standards. It is Listed on National Stock Exchange.

The address of its registered office is 1501, Vikram Tower, Rajendra Place, New Delhi 110008.

The Holding Company has one Joint Venture Company i.e. Nissan Bharat Rasayan Private Limited.

The accompanying Consolidated financial statements relate to Bharat Rasayan Limited (Holding Company) and its Joint Venture Company (together referred as "The Group").

2. Basis of Preparation

2.1 Statement of Compliance

The Consolidated financial statements for year ended March 31, 2020 is prepared in accordance with Indian Accounting Standards (Ind-AS) notified under section 133 of the Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule-III to the Companies Act, 2013. Based on the nature of the products and the time between purchase of materials for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.2 Basis of Measurement

The financial statements have been prepared under the historical cost convention and on an accrual basis, except for the following item that have been measured at fair value as required by relevant Ind-AS.

- a. Employee defined benefit plan.
- b. Certain financial assets and liabilities measured at fair value.

2.3 Use of Estimates and Judgement

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of income and expenses. Examples of such estimates includes future obligations under employee retirement benefit plans and estimated useful life of property, plant and equipment, Employee benefit expenses, provisions etc. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Future results could differ due to changes in these estimates and difference between the actual result and the estimates are recognised in the period in which the results are known /materialized.

2.4 Basis of Consolidation

Joint Ventures

A Joint venture is a joint arrangement whereby parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interests in joint ventures are initially recognised at cost and thereafter accounted for using the equity method.

Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and



adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The carrying amount of equity accounted as investments are tested for impairment in accordance with the Group's policy.

Any gain or loss on dilution arising on a reduced stake in the joint venture, but still retaining the joint control, is recognized in the Statement of Profit and Loss.

2.5 Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, cash at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand which are considered part of the Company's cash management system.

The company has adopted the amendment to Ind-AS 7, which require the entities to provide disclosures that enable users of financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material effect on the financial statements.

2.6 Functional and Presentation Currency

Items Included in the Financial Statements are measured using the currency of primary economic environment in which the Company operates (Functional Currency) The financial statements are presented in Indian Rupee (INR), which is functional as well as presentation currency of company.

- Transactions in foreign currency are recorded at the rate of exchange prevailing at the time the transactions are affected. Exchange differences arising on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.
- Monetary items denominated in foreign currency are restated and converted into Indian rupees using the exchange rate prevailing at the date of the Balance Sheet and the resulting exchange difference is recognized in the Statement of Profit and Loss.

2.7 Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost of asset includes the following:

- (a) Cost directly attributable to the acquisition of the assets
- (b) Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.



Cost of replacement, major inspection, repair of significant parts is capitalized if the recognition criteria are met. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from continued use of assets. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

As per management estimate there is no decommissioning, restoration or similar liabilities on its property, plant and equipment hence, no adjustment in has been made in this regard.

Depreciation

- (a) Depreciation on Property, plant and Equipment is provided on Written Down Value Method (WDV) over the useful life of the assets as specified in Schedule II of the Companies Act, 2013.
- (b) Each part of an item of Property, Plant and Equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of remaining asset.

The estimated useful life of assets for current and comparative period of significant items of property plant and equipment are as follows:

| Particulars | Useful Life (Years) |
|------------------------|----------------------------|
| Plant and Machinery | 20 |
| Building - factor | 30 |
| Building - others | 60 |
| Computers | 3 |
| Office Equipment's | 10 |
| Furniture and fixtures | 10 |
| Vehicles | 8 |

- (c) Depreciation methods, useful lives and residual values are reviewed at each reporting date. In the case of revision, the unamortised depreciable amount is depreciated on a prospective basis.

2.8 Intangible Assets

An intangible Asset is recognized where it is probable that the future economic benefits attributable to the assets will flow to the company and cost of the asset can be measured reliability. Intangible assets are stated at historical cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized over their respective estimated useful lives on a WDV basis (As per Companies Act) from the date that they are available for use.

2.9 Investment Property

- (a) Investment property comprises completed property, property under construction and property held under finance lease that is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions
- (b) Investment Properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- (c) The company depreciates building component of investment property over the life described in schedule II of Companies Act, 2013 from the date of original purchase.
- (d) Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.



2.10 Inventory

- (a) The consumption of raw materials is net of Input tax credit availed. Items of inventories are measured after providing for obsolescence, if any.
- (b) Inventory has been valued at moving weighted average cost (through SAP). In the case of finished goods cost comprises material, labour and factory overheads. Goods in process have been valued at the raw material cost incurred up to the stage of production plus conversion cost apportioned.

2.11 Provisions

Provisions are recognized in respect of liabilities which can be measured only by using a substantial degree of estimates when:-

- (a) The Company has a present obligation as a result of a past event,
- (b) It is Probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and,
- (c) The amount of the obligation can be reliably estimated

Provisions are reviewed at each Balance Sheet date.

Where the effect of the time value of money is material the amount of a provision shall be the present value of the expenditure expected to be required to settle the obligation.

2.12 Revenue Recognition

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

- (a) Sales have been accounted for exclusive of Goods and Service tax and are net of returns and discounts. Export benefits have been accounted for separately on accrual basis. The Export benefits are accrued on the date of export.
- (b) The Company follows the accrual System of Accounting and on assumptions of an ongoing concern. Revenue is recognized only when it can be reliably measured.
- (c) Sales does not includes captive consumption and stock transfer.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable using Effective Interest rate Method.

Dividend is recognized when the shareholders right to receive payment is established, economic benefit will flow to the entity and amount can be measured reliably.

2.13 Leases

a) Company as a lessee

- (i) The Company Recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date , plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
- (ii) The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-to-use-asset or the end of the lease term. The estimated useful life of the right-to-use asset is determined on the same basis as those of property, plant and equipment. In addition, the right-to-use asset is



periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

- (iii) The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.
- (iv) The lease liability is measured at amortized cost using the effective interest method, it is remeasured when there is a change in future lease payments from a change in an index or rate. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.
- (v) The Company presents right-of-use asset that do not meet the definition of Investment property in the "Property plant and equipment" and lease liabilities in "other financial liabilities" in the Balance Sheet.
- (vi) Short term Lease and Leases of low value assets:-The Company has elected not to recognize right-of-use asset and lease liabilities for short term leases that have lease term of 12 months or less and leases of low value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all the risk and rewards incidental to the ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not then it is an operating lease. As part of the assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognizes lease payments received under operating lease as income on a straight-line basis over the lease term as part of "Other Income".

2.14 Impairment of Non-Financial Assets

In accordance with Ind AS-36 Impairment of Assets, the carrying amounts of Company's assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment.

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired.

2.15 Borrowing Cost

The company incurred no borrowing cost attributable to the acquisition or construction of any qualifying assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and Loss.

2.16 Employee Benefits

(a) Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive etc. and the same are recognized in the period in which the employee renders the related services.



(b) Long Term Employee Benefits

Long-term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year based on report of Actuarial Valuation towards leave encashment & gratuity. The expenses are recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains or losses are recognized in other comprehensive income.

2.17 Taxes

(a) Current Income tax

Current tax is measured at the amount expected to be paid to the tax authorities using the applicable tax rates

Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Liability for additional taxes, if any, is provided / paid as and when assessments are completed/settlement of assesment. Current tax related to OCI Items is recognized in Other Comprehensive Income (OCI).

(b) Deferred Tax

Deferred income tax assets and liabilities are recognized for temporary differences which is computed using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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

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 utilized.

Deferred tax related to OCI Item are recognized in Other Comprehensive Income (OCI).

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent. there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period. However there is no unveiled MAT credit balance carried over for set off from earlier years. more over the company has opted for corporate tax as per newly inserted section 115BAA of Income Tax act where in provisons of mat will no longer be applicable on the company.

2.18 Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss (excluding OCI) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.19 Contingent Liabilities and Contingent Assets

(a) Contingent Liabilities are disclosed in either of the following cases:

- (i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or



- (ii) A reliable estimate of the present obligation cannot be made; or
- (iii) A possible obligation, unless the probability of outflow of resource is remote.
- (b) Contingent Liability is net of estimated provisions considering possible outflow on settlement.
- (c) Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Reporting date
- (d) Contingent assets are disclosed where an inflow of economic benefits is probable.

2.20 Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible to 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 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.

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 identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or Indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.21 Dividend to Equity Shareholders

Dividend paid/payable is recognized in the year in which the related dividends are approved by shareholders and recommended by Board of Directors.

2.22 Financial Instruments

Initial recognition and measurement

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not 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.

a. Subsequent measurement

Financial Assets

Financial assets are classified in following categories:



a) At Amortized Cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (ii) 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 measured at amortised cost using effective interest rate method less impairment if any. The EIR amortisation is included in finance income in the statement of profit and loss.

b) At Fair Value Through Other Comprehensive Income (FVTOCI)

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit & Loss (P&L). On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned is recognised using the EIR method.

c) At Fair Value Through Profit and Loss (FVTPL)

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

In addition, the Company may elect to designate financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. If doing so reduces or eliminates a measurement or recognition inconsistency. The company has not designated any financial asset as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Financial Liabilities

a) Financial Liabilities at Amortized Cost

Financial liabilities at amortised cost represented by trade and other payables, security deposits and retention money are initially recognised at fair value, and subsequently carried at amortized cost using the effective interest rate method.

b) Financial Liabilities at FVTPL

The company has not designated any financial liabilities at FVTPL.

c) Derecognition

Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised only when the contractual rights to the cash



flows from the asset expires or it transfers the financial assets and substantially all risks and rewards of the ownership of the asset.

Financial Liability

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

d) Impairment of Financial Assets:

Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applies on whether there has been significant increase in credit risk.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss.

2.23 Non-Current Assets held for Sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

If the criteria stated by Ind AS 105 "Non-Current Assets held for Sale and Discontinued Operations" are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognized had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

2.24 Events Occurring after Balance Sheet Date

Events occurring after Balance Sheet date are considered in the preparation of financial statements in accordance with Ind AS 10 (Contingencies and Events Occurring After Balance Sheet Date).



Note No. 3

Property, Plant and Equipment

Amount (₹ in Lakhs)

| Particulars | Land | Buildings | Plant and Machinery | Furniture & Fixtures | Office Equipment | Computers Haedwares Fixtures | Vehicles | R&D Equipment | Total |
|--|----------|-----------|---------------------|----------------------|------------------|------------------------------|----------|---------------|-----------|
| <u>Cost or deemed cost</u> | | | | | | | | | |
| At 1 April, 2018 | 2,365.04 | 7,232.34 | 15,498.30 | 127.83 | 89.22 | 131.93 | 100.45 | 116.07 | 25,661.18 |
| Additions | - | 173.96 | 1,522.76 | 14.50 | 12.16 | 67.77 | 0.10 | 83.86 | 1,875.11 |
| Disposals/Adjustments | - | - | 60.07 | - | - | 10.22 | 5.53 | - | 75.82 |
| At 31 March, 2019 | 2,365.04 | 7,406.30 | 16,960.99 | 142.33 | 101.38 | 189.48 | 95.02 | 199.93 | 27,460.47 |
| Additions | - | 1,529.25 | 5986.84 | 5.53 | 9.21 | 18.03 | 16.01 | 28.38 | 7,593.25 |
| Disposals/Adjustments | - | - | - | - | - | - | - | - | - |
| At 31st March, 2020 | 2,365.04 | 8,935.55 | 22,947.83 | 147.86 | 110.59 | 207.51 | 111.03 | 228.31 | 35,053.72 |
| <u>Depreciation and impairment</u> | | | | | | | | | |
| At 1 April, 2018 | - | 2,798.23 | 7,713.89 | 83.23 | 60.20 | 119.91 | 65.24 | 59.93 | 10,900.63 |
| Depreciation charge for the year | | 435.70 | 1,160.41 | 14.25 | 9.83 | 35.02 | 11.94 | 21.56 | 1,688.71 |
| Impairment | | | | | | | | | - |
| Disposals/Adjustments | | - | 60.07 | - | - | 10.22 | 5.38 | | 75.67 |
| At 31 March, 2019 | - | 3,233.93 | 8,814.23 | 97.48 | 70.03 | 144.71 | 71.80 | 81.49 | 12,513.67 |
| Impact dueto adoption of theInd AS-116 | 88.92 | - | - | - | - | - | - | - | 88.92 |
| Depreciation charge for the year | 8.30 | 476.05 | 1,584.67 | 12.39 | 8.89 | 29.94 | 9.51 | 22.76 | 2,152.51 |
| Impairment | | | | | | | | | - |
| Disposals/Adjustments | | | | | | | | | |
| At 31st March, 2020 | 97.22 | 3,709.98 | 10,398.90 | 109.87 | 78.92 | 174.65 | 81.31 | 104.25 | 14,755.09 |
| <u>Net book value</u> | | | | | | | | | |
| At 31st March, 2020 | 2,267.82 | 5,225.57 | 12,548.94 | 37.99 | 31.67 | 32.86 | 29.72 | 124.06 | 20,298.63 |
| At 31 March, 2019 | 2,365.04 | 4,172.37 | 8,146.77 | 44.85 | 31.35 | 44.77 | 23.22 | 118.44 | 14,946.80 |



Note :- 3.1 Impairment of Assets (Ind AS- 36) : The Management periodically assess using, external and internal source, whether there is an indication that an assets may be impaired and Company foresee on such impairment indication as on the balance sheet date.

Note :- 3.2 Land includes leasehold lands by GIDC (Gujarat): (i) Factory land located at Dahej (Gujarat) valued ₹743.16 Lakhs (lease period starts from 11.08.2010 and is valid till 99 years); (ii) Residential Plot at Atali, Dahej (Gujarat), valued ₹78.50 Lakhs (lease period for 99 years), and (iii) Factory land located at Saykhea valued ₹1525.81 Lakhs (lease period starts from February'2018 and is valid till 99 years).

NOTE NO. 4 : Capital Work in Progress

| Particulars | |
|---|-----------------|
| Amount (₹ in Lakhs) | |
| At 31 March, 2018 | 690.08 |
| Additions during the year | 2,846.98 |
| Adjustments/transferred during the year | - |
| At 31 March, 2019 | 3,537.06 |
| Additions during the year | 1,767.66 |
| Adjustments/transferred during the year | 3,516.25 |
| At 31st March, 2020 | 1,788.47 |
| Net Book Value | |
| At 31st March, 2020 | 1,788.47 |
| At 31 March, 2019 | 3,537.06 |

NOTE NO. 5 : Intangible Assets

| | |
|------------------------------------|---------------|
| Cost or deemed cost | |
| At 1 April, 2018 | 37.63 |
| Additions | 78.07 |
| Disposals/Adjustments | - |
| At 31 March, 2019 | 115.70 |
| Additions | - |
| Disposals/Adjustments | - |
| At 31st March, 2020 | 115.70 |
| Amortisation and Impairment | |
| At 31 March, 2018 | 26.28 |
| Impairment | 21.97 |
| Amortisation for the year | - |
| Disposals/Adjustments | - |
| At 31 March, 2019 | 48.25 |
| Amortisation for the year | 41.55 |
| Impairment | - |
| Disposals/Adjustments | - |
| At 31st March, 2020 | 89.81 |



| Particulars | Amount (₹ in Lakhs) |
|-----------------------|---------------------|
| Net Book Value | |
| At 31st March, 2020 | 25.89 |
| At 31 March, 2019 | 67.45 |

| Particulars | (₹ in Lakhs) |
|---|--------------|
| NOTE NO. 6 : Intangible Assets Under Development | |
| At 31 March, 2018 | 23.74 |
| Additions during the year | - |
| Adjustments | (23.74) |
| At 31 March, 2019 | - |
| Additions during the year | - |
| Adjustments | - |
| At 31st March, 2020 | - |
| Net Book Value | |
| At 31st March, 2020 | - |
| At 31 March, 2019 | - |

| Particulars | Amount (₹ in Lakhs) | |
|-------------|---------------------|-------------------|
| | 31 March, 2020 | 31 March, 2019 |

NOTE NO. 7 : Financial Assets Non Current

7.1 Investments

A. Investment in unquoted Equity Instruments

Unquoted-at-cost

| | | |
|---|------|------|
| 69,930 Equity Shares of ₹10/- each Fully Paid-up of Pattancheru Enviro-Tech Ltd. | 6.99 | 6.99 |
| 1761 Equity Shares of ₹100/- each Fully Paid-up of Jeedimetla Effluent Treatment Ltd. | 1.76 | 1.76 |

Investments in Joint Venture

| | | |
|---|--------|---|
| (90,00,000 Equity Shares of Rs.10/- each Fully Paid-up of Nissan Bharat Rasayan Private Limited) | 900.00 | - |
|---|--------|---|

| | | |
|-----------------------------|---------------|-------------|
| Total | 908.75 | 8.75 |
| Impairment | - | - |
| Market value of Investments | 908.75 | 8.75 |

7.2 Others

(Considered Good:Unsecured)

| | | |
|-------------------|---------------|---------------|
| Security Deposits | 165.44 | 154.15 |
| Total | 165.44 | 154.15 |

Note 7.2.1:- Security deposits amounting ₹158.88 Lakhs (31st March, 2019- ₹146.06 Lakhs) is related to the Government Departments.



| Particulars | Amount (₹ in Lakhs) | |
|--|---------------------|-------------------|
| | 31 March, 2020 | 31 March, 2019 |
| NOTE NO. 8 : Other Non Current assets | | |
| Capital Advances | | |
| Advance for Capital Goods | 119.50 | 495.48 |
| Other Advance - GIDC | 25.00 | - |
| Total | 144.50 | 495.48 |
| NOTE NO. 9 : Inventories | | |
| Raw Materials and others | 6,550.90 | 7,672.23 |
| Finished Goods including WIP | 8,747.51 | 12,783.21 |
| Stores & Spares | 734.19 | 566.74 |
| Total | 16,032.60 | 21,022.18 |
| NOTE NO. 10 : Financial Assets Current | | |
| 10.1 Trade Receivables | | |
| Considered Good: Unecured | | |
| Trade receivables | 25,058.83 | 27,908.74 |
| Total | 25,058.83 | 27,908.74 |
| 10.2 Cash and Cash Equivalent | | |
| Cash in Hand | 5.30 | 4.90 |
| Foreign Currency in hand | - | - |
| Balances with banks:- | | |
| -- Current Account | 146.73 | 544.80 |
| -- EEFC Account | 3.79 | 1.01 |
| Deposits with original maturity of 3 months or less | 4,400.00 | - |
| Total | 4,555.82 | 550.71 |
| 10.3 Bank Balance Other than Cash and Cash Equivalents | | |
| Balances with Scheduled Bank | | |
| Dividend Account | 10.25 | 12.00 |
| Fixed Deposits (Margin Money) | 551.39 | 378.88 |
| Total | 561.64 | 390.88 |
| Note 10.3.1: ₹ 551.39 Lakhs [31st March, 2019 ₹378.88 Lakhs] represents fixed deposit placed with the banks against LC/BG issued. | | |
| 10.4 Other Financial Assets | | |
| Earnest Money Deposit | 2.40 | 11.14 |
| Interest Accrued On FDR | 53.56 | 39.47 |
| Insurance Claim Receivable | 1.50 | 18.27 |
| Total | 57.46 | 68.88 |



| Particulars | Amount (₹ in Lakhs) | |
|--|---------------------|-------------------|
| | 31 March, 2020 | 31 March, 2019 |
| NOTE NO. 11 : Current Tax Asset and Liability | | |
| Current tax Assets | | |
| Income tax refundable | 185.11 | 185.11 |
| Total | 185.11 | 185.11 |
| Current tax Liability | | |
| Provision for Income Tax (Net of advance tax & TDS) | 257.06 | 433.91 |
| Total | 257.06 | 433.91 |
| NOTE NO. 12 : Other Current Assets | | |
| Advance other than Capital advances | | |
| Advance to Vendors- for others | 2,986.30 | 2,778.05 |
| Others | | |
| Service Tax Cenvat Credit | 13.64 | 13.64 |
| Export Incentives Receivables | 687.17 | 706.38 |
| Central Excise and Custom Duties | 316.03 | 3.29 |
| GST Input tax Receivables | 1,300.97 | 2,487.47 |
| GST Refundable | - | 136.50 |
| GST Electronic Cash Ledger | 10.58 | 5.14 |
| Vat Adjustable/Refundable | - | 2.46 |
| Prepaid Expenses | 89.73 | 82.60 |
| Discount Receivable | 0.22 | 17.83 |
| Total | 5404.64 | 6233.36 |
| NOTE NO. 13 : Equity Share capital | | |
| Authorised share capital | | |
| 2,00,00,000 Equity shares of ₹10/- each (31st March, 2019: 2,00,00,000 Equity Share of ₹10/- each) | 2,000.00 | 2,000.00 |
| | 2,000.00 | 2,000.00 |
| Issued/Subscribed and Paid up Capital | | |
| 42,48,740/- Equity shares of ₹ 10 each (31st March, 2019: 42,48,740 Equity Share of ₹10/- each) | 424.87 | 424.87 |
| | 424.87 | 424.87 |



13.1 Details of shareholder holding more than 5% in the company

| Name of the shareholder | As at 31 March, 2020 | | As at 31 March, 2019 | |
|----------------------------|----------------------|------------------------|----------------------|------------------------|
| | No in Shares | % holding in the class | No in Shares | % holding in the class |
| Shri Sat Narain Gupta | 10,11,631.00 | 23.81 | 10,28,631.00 | 24.21 |
| S.N.Gupta (HUF) | 3,56,200.00 | 8.38 | 3,56,200.00 | 8.38 |
| Shri Mahabir Prasad Gupta | 4,22,800.00 | 9.95 | 4,22,800.00 | 9.95 |
| Shri Rajender Prasad Gupta | 4,92,631.00 | 11.60 | 3,31,544.00 | 7.80 |
| Total | 22,83,262.00 | 53.74 | 21,39,175.00 | 50.34 |

1. Rights, Preferences and Restrictions attaching to shares

Equity Shares: The Company has one class of Equity Shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

13.2 Reconciliation of the number of equity shares and share capital

| Particulars | As at 31 March, 2020 | | As at 31 March, 2019 | |
|---|----------------------|---------------|----------------------|---------------|
| | No of shares | (₹ in Lakhs) | No of shares | (₹ in Lakhs) |
| Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year | 42,48,740. | 424.87 | 42,48,740 | 424.87 |
| Add: Shares Issued during the year | - | - | - | - |
| Issued/Subscribed and Paid up equity Capital outstanding at the end of the year | 42,48,740 | 424.87 | 42,48,740 | 424.87 |

13.3 Aggregate no. of equity shares issued as fully paid by way of bonus during the period of five years immediately preceding the reporting date

| Particulars | As at | As at | As at | As at | As at |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| | 31 March, 2020 | 31 March, 2019 | 31 March, 2018 | 31 March, 2017 | 31 March, 2016 |
| | No. in Lakhs | No. in Lakhs | No. in Lakhs | No. in Lakhs | No. in Lakhs |
| Equity shares issued as Bonus | - | - | - | - | - |

Amount (₹ in Lakhs)

| Particulars | 31 March, 2020 | 31 March, 2019 |
|-------------------|------------------|------------------|
| General Reserve | 4,165.17 | 4,165.17 |
| Retained Earnings | 51,821.83 | 36,290.67 |
| Total | 55,987.00 | 40,455.84 |

NOTE NO. 14 : Other Equity



| Particulars | Amount (₹ in Lakhs) | |
|---|---------------------|-------------------|
| | 31 March, 2020 | 31 March, 2019 |
| 14.1 General Reserve | | |
| (a) General Reserve | | |
| As per last Balance sheet | 4,165.17 | 4,165.17 |
| Add: Transfer from retained earning | - | - |
| Closing Balance | 4,165.17 | 4,165.17 |
| 14.2 Retained Earnings | | |
| (b) Retained Earnings | | |
| As per last Balance Sheet | 36,290.67 | 25,234.55 |
| Impact due to adoption of Ind AS-116 | (88.92) | - |
| Add: Profit after Tax | 15,764.19 | 11,152.43 |
| Less: Transfer to General Reserve | - | - |
| Less: Dividend declared and paid during the year | (63.73) | (63.73) |
| Less: Dividend distribution tax on dividend declared and paid | (13.10) | (13.10) |
| Items of Other comprehensive income recognised directly in retained earnings | | |
| Remeasurements of defined benefits plans, net of tax | (67.28) | (19.48) |
| Closing Balance | 51,821.83 | 36,290.67 |

Nature and Purpose of Other Reserves:

(a) Retained Earnings

Retained Earnings represents the undistributed profits of the Company.

(b) General Reserve

General Reserve represents the statutory reserves, this is in accordance with Corporate Law wherein a portion of profit is apportioned to General Reserve. Under Companies Act, 2013, the transfer of any amount to General Reserve is at the discretion of the Company.

Distributions Made and Proposed

Cash dividend on Equity shares declared and paid

| | | |
|--|--------------|--------------|
| Dividend paid during 2019-20: ₹ 1.50 per share (for the FY 2018-19: ₹ 1.50 per share) | 63.73 | 63.73 |
| Dividend distribution tax on final dividend | 13.10 | 13.10 |
| | 76.83 | 76.83 |



| Particulars | Amount (₹ in Lakhs) | |
|--|---------------------|----------------|
| | 31 March, 2020 | 31 March, 2019 |
| Proposed Dividend on Equity shares | | |
| Dividend for 31 March, 2020: ₹ 1.50 per share (31 March, 2019: ₹ 1.50 per share) | 63.73 | 63.73 |
| Dividend distribution tax on proposed dividend | 13.10 | 13.10 |
| | 76.83 | 76.83 |

NOTE NO. 15 : Financial Liability Non Current

15.1 Borrowings

Unsecured

Long Term Loans Others

From Directors*

| | | |
|--|-----------------|-----------------|
| | 2,200.00 | 4,000.00 |
| | 2,200.00 | 4,000.00 |

*During the Financial Year 2019-20 Effective interest rate on loans taken from the Directors is 9.00% p.a (Financial Year - 2018-19: 9.00% p.a)

NOTE NO. 16 : Provisions

Provisions for Employee Benefits

Leave Encashment

112.89

88.72

Gratuity

76.00

-

Total

188.89

88.72

Note: The provision for employee benefits includes retirement benefits of Leave encashment , for other disclosures refer Note no-40.

NOTE NO. 17 : Deferred Tax

Deferred tax Liabilities

(a) Depreciation and Amortisation

968.79

1,332.36

(b) Others

163.32

-

Total of Deferred Tax Liabilities

1,132.11

1,332.36

Deferred tax Assets

-

(a) Employee Benefits

88.61

38.25

Total of Deferred Tax Assets

88.61

38.25

Net Deferred Tax Liability/ (Assets)

1,043.50

1,294.11

Movement in deferred tax liability/ (asset)



| Particulars | Amount (₹ in Lakhs) | | | |
|-----------------------------------|---------------------|--|-------------------|-----------------|
| | Others | Property, Plant and Equipment, Intangible Assets | Employee Benefits | Total |
| At 1 April 2018 | - | 1,241.50 | (37.34) | 1,204.16 |
| Charged/(credited) during 2018-19 | | | | |
| To Profit & Loss | - | 90.86 | (0.91) | 89.95 |
| To other comprehensive income | - | - | - | - |
| At 31 March 2019 | - | 1,332.36 | (38.25) | 1,294.11 |
| Charged/(credited) during 2019-20 | | | | |
| To Profit & Loss | 163.32 | (363.57) | (50.36) | (250.61) |
| To other comprehensive income | - | - | - | - |
| At 31 March 2020 | 163.32 | 968.79 | (88.61) | 1,043.50 |

| Particulars | Amount (₹ in Lakhs) | |
|-------------|---------------------|----------------|
| | 31 March, 2020 | 31 March, 2019 |

NOTE NO. 18 : Financial Liability Current
18.1 Borrowings
Secured Loan
(i) Cash Credit

Cash Credit Accounts

2,734.43 7,915.11

Unsecured Loan
(i) Short Term Loans from Others

Other Short Term Loan

- 8,500.00

(ii) Short Term Loans from related parties

Related Parties

4,451.27 4,284.33

Total
7,185.70 20,699.44
18.1.1 Secured Loans and Cash Credits :

| Particulars | Average Rate of Interest | Repayment Terms | Security |
|---|---|--|---|
| 1. Cash Credit Accounts (Charge on Current and Non-Current Assets of factories) | FY 2019-20:- SBI : 8.70% HDFC : 8.90% Yes Bank : 8.85% FY 2018-19:- SBI : 8.50% HDFC : 8.70% Yes Bank : 9% | Cash Credit loan is payable on Demand. | Primary Security First charge on Currents Assets of the Company. Collateral (i) First Charge on Working Capital lenders on Fixed Assets of the Company(excluding land & Building of Dahej) and including (EM) of Land & Building and other fixed assets at Mokhra Rohtak. (ii) Second Charge on the Fixed assets at Dahej unit of the Company (Excluding Land & Building) for securing Working Capital facilities. |
| 2. Loans from Related Party | FY 2019-20:- Avg. 9.00% FY 18-19 Avg. 9.00% | Payable on Demand. | Unsecured |



| Particulars | Amount (₹ in Lakhs) | |
|---|---------------------|-------------------|
| | 31 March, 2020 | 31 March, 2019 |
| 18.2 Trade Payables | | |
| a) Total Outstanding dues of Micro Enterprises and Small Enterprises | 413.18 | 379.59 |
| b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 3,510.66 | 4,077.10 |
| Total | 3923.84 | 4,456.69 |

Trade Payables Includes of ₹ 413.18 lakhs (₹ 379.59 lakhs as on 31st March 2019) due to MSME as on 31st March 2020 as confirmed by the vendors.

Information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006:

| | | |
|---|--------|--------|
| (i) Amount remaining unpaid to any supplier: | | |
| Principal amount | 413.18 | 379.59 |
| Interest due thereon | NIL | NIL |
| (ii) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day. | NIL | NIL |
| (iii) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act. | NIL | NIL |
| (iv) Amount of interest accrued and remaining unpaid | NIL | NIL |
| (v) Amount of further interest remaining due and payable even in the succeeding years, 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 of MSMED Act | NIL | NIL |

18.3 Other Financial Liabilities

| | | |
|--|-----------------|-----------------|
| Retention Money | 112.95 | 102.70 |
| Unclaimed Dividend | 13.03 | 12.00 |
| Bonus Payable | 130.36 | 109.46 |
| Other Paybles (including Expenses payable) | 3,375.43 | 3,304.57 |
| Total | 3,631.77 | 3,528.73 |

NOTE NO. 19 : Other Current Liabilities

Contract Liability

| | | |
|------------------------|-------|-------|
| Advance from Customers | 89.86 | 17.72 |
|------------------------|-------|-------|

Others

| | | |
|----------------|---------------|---------------|
| Statutory dues | 222.45 | 152.11 |
| Total | 312.31 | 169.83 |



| Particulars | Amount (₹ in Lakhs) | |
|---|---------------------|-------------------|
| | 31 March, 2020 | 31 March, 2019 |
| NOTE NO. 20 : Provisions | | |
| Provisions for Employee Benefits | | |
| Leave Encashment | 15.59 | 17.41 |
| Gratuity | 17.25 | - |
| Total | 32.84 | 17.41 |

| Particulars | Amount (₹ in Lakhs) | |
|--|------------------------------|------------------------------|
| | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
| NOTE NO. 21 : Revenue from operation | | |
| Revenue From Contracts with Customers | | |
| Gross Sales | 1,19,354.68 | 97,345.88 |
| Job Work Income | 1,084.50 | 963.64 |
| Other Operating Income | | |
| Export Incentives | 1,065.92 | 908.20 |
| Total | 1,21,505.10 | 99,217.72 |

| | | |
|-----------------------------------|-----------------|---------------|
| NOTE NO. 22 : Other Income | | |
| Exchange Difference (Net) | 1,480.17 | 169.84 |
| Interest received | 128.58 | 46.81 |
| Business Support Charges | 48.34 | 21.00 |
| Other Miscellaneous Income | 24.82 | 13.35 |
| Total | 1,681.91 | 251.00 |

| | | |
|---|------------------|------------------|
| NOTE NO. 23 : Cost of Materials Consumed | | |
| Opening Stock: Raw Materials & others | 7,672.23 | 3,476.88 |
| Purchases: Raw Materials & others | 77,948.49 | 76,685.33 |
| | 85,620.72 | 80,162.21 |
| Less : Closing Stock: Raw Materials & others | 6,550.90 | 7,672.23 |
| Total | 78,999.72 | 72,489.98 |

| | | |
|---|---------------|-----------------|
| NOTE NO. 24 : Purchase of Stock in trade | | |
| Purchase (Trading) | 878.38 | 3015.85 |
| Total | 878.38 | 3,015.85 |



| Particulars | Amount (₹ in Lakhs) | |
|--|------------------------------|------------------------------|
| | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
| NOTE NO. 25 : Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade | | |
| Opening Stock | | |
| Finished Goods including WIP | 12,783.21 | 5,641.39 |
| | 12,783.21 | 5,641.39 |
| Closing Stock | | |
| Finished Goods including WIP | 8,747.51 | 12,783.21 |
| | 8,747.51 | 12,783.21 |
| Total | 4035.70 | (7141.82) |

NOTE NO. 26 : Employees Benefit Expenses

| | | |
|---|-----------------|-----------------|
| Salary, Wages & Bonus | #4,018.49 | 3,435.70 |
| Provision for Leave Encashment | 74.24 | 57.95 |
| Directors' Remuneration | 2,272.48 | 1,725.95 |
| Diwali Expenses | 14.23 | 6.09 |
| Premium for Group Gratuity | 31.02 | 74.51 |
| Employer's contribution to Provident Fund, ESI, LWF | 118.32 | 95.40 |
| Staff and Labour Welfare Expenses | 153.33 | 142.61 |
| Staff Bus Expenses | 153.51 | 133.51 |
| Keyman Insurance Premium | 18.70 | 11.30 |
| Ex-gratia | 54.37 | 52.86 |
| Total | 6,908.69 | 5,735.88 |

#Salary of ₹87.37 lakhs pertains to R&D, Dahej (Gujarat)

NOTE NO. 27 : Finance Costs

| | | |
|----------------------------------|-----------------|-----------------|
| Interest on Working Capital Loan | 716.37 | 860.11 |
| Interest on Others | 825.68 | 682.17 |
| Interest on Income Tax | 20.11 | 40.21 |
| Total | 1,562.16 | 1,582.49 |

NOTE NO. 28 : Depreciation & Amortization Costs

| | | |
|--|-----------------|-----------------|
| Depreciation on Tangible Assets (Refer Note-3) | 2,152.51 | 1,667.15 |
| Amortization on Intangible Assets (Refer Note-5) | 41.55 | 21.97 |
| Total | 2,194.06 | 1,689.12 |



| Particulars | Amount (₹ in Lakhs) | |
|---|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| NOTE NO. 29 : Other Expenses | | |
| <u>Manufacturing & Direct Expenses</u> | | |
| Environment, Health & Safety Expenses | 782.48 | 391.92 |
| Factory & Machinery Maintenance | 1957.01 | 1537.24 |
| Job Work Expenses | 121.15 | 74.09 |
| Laboratory Expenses | 86.3 | 61.34 |
| Power & Electricity | 2408.23 | 1933.62 |
| Packing Expenses | 64.81 | 39.71 |
| Water Expenses | 100.27 | 53.60 |
| Total (a) | 5,520.25 | 4,091.52 |
| Administrative, Operating & Selling Expenses | | |
| Advertisement & Publicity | 56.73 | 39.07 |
| AGM Expenses | 0.32 | 0.20 |
| Analysis / Registration Expenses | 113.50 | 130.26 |
| Bank Charges | 81.67 | 48.72 |
| Book Periodicals & Subscription | 11.56 | 41.05 |
| Building Repairs & Maintenance | 44.49 | 107.67 |
| Business Promotion Expenses | 40.55 | 38.13 |
| Cash Discount | 195.29 | 285.91 |
| Commission paid | 106.38 | 82.61 |
| Computer Expenses | 36.99 | 5.22 |
| Conveyance Expenses | 42.07 | 36.39 |
| Electricity Charges | 11.20 | 11.11 |
| Filing Fees | 0.44 | 0.08 |
| Freight & Forwarding Outward | 581.98 | 640.03 |
| General / Misc. Expenses | 36.17 | 32.34 |
| Hire Charges | 86.01 | 78.01 |
| Insurance Charges | 226.60 | 53.90 |
| Legal & Professional Fee | 110.68 | 179.63 |
| Listing Fee | 3.93 | 3.08 |
| Office Expenses | 16.69 | 20.25 |
| Payment to Auditors (Refer Note No-29.1) | 12.15 | 11.20 |
| Postage & Telephone expenses | 16.19 | 15.57 |
| Printing & Stationery expenses | 20.59 | 26.46 |
| R & D Expenses* | 137.23 | 158.16 |
| Rates & Taxes | 47.51 | 84.50 |



| Particulars | Amount (₹ in Lakhs) | |
|--------------------------------------|------------------------------|------------------------------|
| | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
| Rent paid | 12.21 | 11.86 |
| Security Expenses | 63.23 | 61.01 |
| GST paid | 28.02 | 35.76 |
| Tour & Travelling Expenses | 63.03 | 63.28 |
| Telephone and Communication Expenses | 16.48 | 17.32 |
| Vehicle Running & Maintenance | 10.54 | 8.46 |
| Rebates & Short / Excess | 16.93 | (11.97) |
| Total (b) | 2,247.36 | 2,315.27 |
| Grand Total | 7,767.61 | 6,406.79 |

***Note: R&D Expenses:-** The Company is registered as Research & Development Unit (R&D) with Ministry of Science & Technology, Govt. of India, Department of Scientific & Industrial Research, New Delhi, hence eligible for weighted deduction U/S 35(2AB) of the Income Tax Act on expenditure incurred for the purpose. Company is having two Research & Development Unit (R&D), detail of the same are as under:-

| Particulars | Year ended | Year ended |
|---|-------------------|-------------------|
| | 31 March, 2020 | 31 March, 2019 |
| Status of R&D Unit | Recognized | Recognized |
| (i) Revenue Expenditure | 137.23 | 158.16 |
| (ii) Capital Expenditure | 28.38 | 266.51 |
| Total | 165.61 | 424.67 |
| Grand Total (I+II) | 165.61 | 424.67 |
| Eligible Deductions (Revenue+Capital net of depreciation) U/S 35(2AB) | 165.61 | 424.67 |

29.1: Payment to Auditors

| | | |
|---------------------------------------|--------------|--------------|
| Statutory Audit Fee | 9.00 | 8.25 |
| Cost Auditors and Secretarial Auditor | 3.15 | 2.95 |
| Total | 12.15 | 11.20 |

NOTE NO. 30 : Exceptional Items

| | | |
|--------------------------------|---------------|---------------|
| Profit on Sale of Fixed assets | - | (0.54) |
| Contribution/Donation | 321.04 | 177.61 |
| Total | 321.04 | 177.07 |



| Particulars | Amount (₹ in Lakhs) | |
|---|------------------------------|------------------------------|
| | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
| NOTE NO. 31 : Income Tax Expense | | |
| Current Income Tax Expenses | | |
| Current income tax charge | 4,946.81 | 4,318.34 |
| Adjustments in respect of current income tax of previous year | 59.26 | (47.37) |
| Total Current Tax Expenses | 5,006.07 | 4,270.97 |
| Deferred Income Tax Expense | | |
| In respect of the current year (For details Refer Note no 17) | (250.61) | 89.96 |
| Total Deferred Tax Expenses | (250.61) | 89.96 |
| Income tax expenses attributable to continuing operations | 4,755.46 | 4,360.93 |
| 31.1: Tax related to items recognised in OCI during the year | | |
| Net Loss/(Gain) on remeasurements of defined benefit plans | - | - |
| Income tax charged to OCI | - | - |
| 31.2 :Reconciliation between Tax Expense and the Accounting Profit | | |
| Accounting profit before tax from continuing operations | 20,452.37 | 15,493.88 |
| Accounting profit before income tax | 20,452.37 | 15,493.88 |
| At Statutory income tax rate of 25.17% (31st March, 2019 34.944%) | 5,147.45 | 5,414.18 |
| Adjustments in respect of current income tax of previous year# | 59.26 | (47.37) |
| Tax effect of amounts which are not deductible (taxable) in calculating Taxable income | (351.59) | 132.70 |
| Tax effect of amounts which are deductible in calculating Taxable income | (104.73) | (1,152.63) |
| Interest on Income tax impact | 5.06 | 14.05 |
| Total | 4,755.46 | 4,360.93 |



| Particulars | Amount (₹ in Lakhs) | |
|---|------------------------------|------------------------------|
| | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
| Effective Income Tax rate | 23.25% | 28.15% |
| Income Tax expenses reported in statement of profit and loss | 4,755.46 | 4,360.93 |
| Income tax attributable to a discontinued operation | - | - |
| Income tax expenses reported in statement of Profit and loss | 4,755.46 | 4,360.93 |

For financial Year 2017-18 Company has claimed deductions U/S 80IA having tax effect of ₹47.37 lakhs being reflected in tax liability of FY 2018-19.

NOTE NO. 32 : Components of Other Comprehensive Income (OCI)

| | | |
|---|----------------|----------------|
| Remeasurement of Defined benefit plans | (67.28) | (19.48) |
| Tax component of remeasurements of defined benefit obligation | - | - |
| Total | (67.28) | (19.48) |

NOTE NO. 33 : Earnings per share (EPS) [in ₹]

Basic EPS

| | | |
|------------------------------|--------|--------|
| From continuing operation | 371.03 | 262.49 |
| From discontinuing operation | - | - |

Diluted EPS

| | | |
|------------------------------|--------|--------|
| From continuing operation | 371.03 | 262.49 |
| From discontinuing operation | - | - |

33.1 Basic/Diluted Earning per Share

The earnings and weighted average number of equity shares used in calculation of basic and diluted earning per share.

Profit attributable to equity holders of the company:

| | | |
|---|------------------|------------------|
| From Continuing Operations | 15,764.19 | 11,152.43 |
| From Discontinuing Operation | - | - |
| Earnings used in calculation of Basic/Diluted Earning Per Share | 15,764.19 | 11,152.43 |
| Weighted average number of shares for the purpose of basic/diluted earnings per share | 42.49 | 42.49 |



| Particulars | Amount (₹ in Lakhs) | |
|-------------|------------------------------|------------------------------|
| | Year ended 31 March, 2020 | Year ended 31 March, 2019 |

33.2 Diluted Earning per Share

The earnings and weighted average number of equity shares used in calculation of diluted earning per share:-

Profit attributable to equity holders of the Company:

| | | |
|-------------------------------|-----------|-----------|
| from Continuing operations | 15,764.19 | 11,152.43 |
| from discontinuing operations | - | - |

Earnings used in calculation of diluted Earning Per Share from continuing operations

| | |
|------------------|------------------|
| 15,764.19 | 11,152.43 |
|------------------|------------------|

The weighted number of equity shares for the purpose of diluted earning per share reconciles to the weighted average number of equity shares used in calculation of basic earning per share as follows:

Weighted average number of shares for the purpose of Basic Earnings Per Share

| | |
|-------|-------|
| 42.49 | 42.49 |
|-------|-------|

Effect of Dilution :

Weighted average number of shares for the purpose of Diluted Earnings Per Share

| | |
|--------------|--------------|
| 42.49 | 42.49 |
|--------------|--------------|

NOTE NO. 34 : Capital Management

The Group objective to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that company can continue to provide maximum returns to share holders and benefit to other stake holders.

Further, Group manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group maintain an optimal capital structure of Debt equity to reduce the cost of capital. The Group's debts includes interest bearing borrowings from Promoters/Directors.

| Particulars | Amount (₹ in Lakhs) | |
|------------------------------|-------------------------|-------------------------|
| | As at 31 March, 2020 | As at 31 March, 2019 |
| Borrowing (Note No. 15) | 2,200.00 | 4,000.00 |
| Net Debt | 2,200.00 | 4,000.00 |
| Equity (Note No. 13) | 424.87 | 424.87 |
| Other equity (Note No. 14) | 55,987.00 | 40,455.84 |
| Total equity | 56,411.87 | 40,880.71 |
| Net Debt Equity Ratio | 04:96 | 09 : 91 |

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2020.



NOTE NO. 35 : Fair Value Measurements

Amount (₹ in Lakhs)

(i) Financial Instruments by Category

| Particulars | As at 31.03.2020 | | | As at 31.03.2019 | | |
|--|------------------|----------|------------------|------------------|----------|------------------|
| | FVTPL | FVTOCI | Amortized Cost | FVTPL | FVTOCI | Amortized Cost |
| Financial Assets | | | | | | |
| (i) Investments in unquoted Equity Instruments | 8.75 | - | 900.00 | 8.75 | - | - |
| (ii) Security Deposits | - | - | 165.44 | - | - | 154.15 |
| (iii) Trade Receivables | - | - | 25,058.83 | - | - | 27,908.74 |
| (iv) Cash and cash equivalents | - | - | 4,555.82 | - | - | 550.71 |
| (v) Bank Balance Other than (iv) above | - | - | 561.64 | - | - | 390.88 |
| (vi) Other financial Assets | - | - | 57.46 | - | - | 68.88 |
| Total Financial Assets | 8.75 | | 31,299.19 | 8.75 | | 29,073.36 |
| Financial Liabilities | | | | | | |
| (i) Borrowing | - | - | 9,385.70 | - | - | 24,699.44 |
| (ii) Trade payables | - | - | 3,923.84 | - | - | 4,456.69 |
| (iii) Other financial liabilities | - | - | 3,631.77 | - | - | 3,528.73 |
| Total Financial Liabilities | - | - | 16,941.31 | - | - | 32,684.86 |

(ii) Assets and liabilities which are measured at amortized cost for which fair values are disclosed.

Amount (₹ in Lakhs)

| Particulars | As at 31.03.2020 | | As at 31.03.2019 | |
|--|------------------|-----------------|------------------|------------------|
| | Carrying Value | Fair value | Carrying Value | Fair value |
| Financial Assets | | | | |
| (i) Investments in unquoted Equity Instruments | 8.75 | 8.75 | 8.75 | 8.75 |
| (ii) Security Deposits | 165.44 | 165.44 | 154.15 | 154.15 |
| Total Financial Assets | 174.19 | 174.19 | 162.90 | 162.90 |
| Financial Liabilities | | | | |
| (i) Borrowing | 9,385.70 | 9,385.70 | 24699.44 | 24699.44 |
| Total Financial Liabilities | 9,385.70 | 9,385.70 | 24,699.44 | 24,699.44 |

(a) The carrying amounts of trade receivables, cash and cash equivalents, bank balance other than cash and cash equivalent, other financial assets, trade payables and financial liabilities are considered to be the same as their fair values, due to short term nature.



- (b) Long term variable rate borrowings are evaluated by Company on parameters such as interest rates, specify country risk factors and other risk factors. Based on this evaluation, the fair value of such payables are not materially different from their carrying amount.
- (c) For Other Financial assets and liabilities that are measured at fair value, the carrying amount are equal to fair values.

Fair Value hierarchy as on 31.03.2020

| Particulars | Amount (₹ in Lakhs) | | | |
|--|---------------------|---------|---------------|---------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | |
| (i) Investments in unquoted Equity Instruments | - | - | 8.75 | 8.75 |
| (ii) Security Deposits | - | - | 165.44 | 165.44 |
| | - | - | 174.19 | 174.19 |

Fair Value hierarchy as on 31.03.2020

| Particulars | Amount (₹ in Lakhs) | | | |
|------------------------------|---------------------|---------|-----------------|-----------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial Liabilities | | | | |
| Borrowing | - | - | 9,385.70 | 9,385.70 |
| | - | - | 9,385.70 | 9,385.70 |

Fair Value hierarchy as on 31.03.2019

| Particulars | Amount (₹ in Lakhs) | | | |
|--|---------------------|---------|---------------|---------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | |
| (i) Investments in unquoted Equity Instruments | - | - | 8.75 | 8.75 |
| (ii) Security Deposits | - | - | 154.15 | 154.15 |
| | - | - | 162.90 | 162.90 |

Fair Value hierarchy as on 31.03.2019

| Particulars | Amount (₹ in Lakhs) | | | |
|------------------------------|---------------------|---------|------------------|------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial Liabilities | | | | |
| Borrowing | - | - | 24,699.44 | 24,699.44 |
| | - | - | 24,699.44 | 24,699.44 |

NOTE NO. 36 : Financial Risk Management

The Group's principal financial liabilities comprise Borrowings (including Cash Credits), Trade Payables and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operation. The Group's principal financial assets includes trade receivables, other receivables and cash and cash equivalents that derive directly from its operations.

The Group is expose to market risk, credit risk and liquidity risk. The group financial risk activities are governed by appropriated policies and procedures and that financial risk are identified, measured and managed in accordance with the group policies and risk objectives. The board of directors reviews and agrees policies for managing each of these risk, which are summarized below:-



a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises Interest rate risk. Financial instruments affected by market risk includes Borrowings.

b) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. The company manages its interest risk in accordance with the companies policies and risk objective.

c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The company is exposed to credit risk from its financial activities including trade receivable, Security deposits and other financial instruments. The maximum credit risk as on the reporting risk is equal to the carrying value of the financial instruments.

d) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Group's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Group having Cash Credit facilities from various banks for maintaining the short term financial requirement.

NOTE NO. 37 : Key Sources of Estimation uncertainty

The followings are the key assumptions concerning the future, and the key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities with next financial year

a) Fair valuation measurement and valuation process

The fair values of financial assets and financial liabilities are measured using the valuation techniques including DCF model. The inputs to these methods are taken from observable markets where possible, but where this it is not feasible, a degree of judgement is required in arriving at 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 of financial instruments.

b) Taxes

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which losses can be utilized significant management judgement is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable profit together with future tax planning strategies.

c) Useful Life of PPE

Group has defined useful life of property plant and equipment in accordance with Schedule-II of the Companies Act, 2013.

d) Leases

Ind AS-116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.



| S.No | Particulars | Amount (₹ in Lakhs) | |
|---|--|---------------------|---------------------|
| | | As at 31.03.2020 | As at 31.03.2019 |
| NOTE NO. 38 : Contingent Liabilities | | | |
| i) | Guarantees Given to: Dakshin Gujarat Vij Company Limited, DAHEJ, GUJARAT | 193.55 | 150.24 |
| | The Commissioner of Customs | 10.00 | - |
| | Reliance Industry Limited | - | 20.00 |
| ii) | Surety given to Dy. Excise & Taxation Commissioner (S.T. Rohtak) | 8.16 | 8.16 |
| iii) | Surety given to Customs and Central Excise Commissioner, Jammu (J&K) | 1,600.00 | 1,600.00 |
| | | 1,811.71 | 1,778.40 |

38.1 : Contingent Assets

Company having contingent assets of ₹13.63/- lakhs as on 31st March 2020 (₹13.63/- lakhs as on 31st March, 2019) from various customers in respect of claims against bounced cheques.

NOTE NO. 39 :

Related Party Disclosures

39.1 : Key Management Personnel

| S. No. | Name | Designation |
|--------|-----------------------|---------------------------------------|
| 1 | Shri S.N.Gupta | Chairman & Managing Director |
| 2 | Shri M.P.Gupta | Whole Time Director |
| 3 | Shri R.P.Gupta | Whole Time Director |
| 4 | Shri Ajay Gupta | Executive Director |
| 5 | Shri K.P. Uniyal | Executive Director |
| 6 | Shri Pankaj Gupta | Independent & Non Excecutive Director |
| 7 | Shri Ram kanwar | Independent & Non Excecutive Director |
| 8 | Smt. Sujata Agarwal | Independent & Non Excecutive Director |
| 9 | Shri Suresh Kumar Gar | Independent & Non Excecutive Director |
| 10 | Shri Rajesh Gupta | Independent & Non Excecutive Director |
| 11 | Shri Rakesh Verma | Chief Financial Officer |
| 12 | Ms. Nikita Chadha | Company Secretary |

39.2 : Other Related Person & Related Entities

| S. No. | Name | Nature of Relationship |
|--------|-------------------|-------------------------|
| 1 | Smt. Sweety Gupta | Wife of Shri S.N.Gupta |
| 2 | Shri Dinesh Gupta | Son of Shri S.N.Gupta |
| 3 | Smt. Savita Gupta | Wife of Shri M.P. Gupta |
| 4 | Shri Vikas Gupta | Son of Shri M.P. Gupta |
| 5 | Smt. Manju Gupta | Wife of Shri R.P. Gupta |
| 6 | Shri Sahil Gupta | Son of Shri R.P. Gupta |
| 7 | Ms. Neha Gupta | Daughter of R.P Gupta |



Related Entities

S. No. Name

| | |
|---|--|
| 1 | Bharat Insecticides limited |
| 2 | B R Agrotech Limited |
| 3 | Bharat Agrochem LLP |
| 4 | S.N.Gupta & Sons (HUF) |
| 5 | M.P. Gupta & Sons (HUF) |
| 6 | R.P. Gupta & Sons (HUF) |
| 7 | Nissan Bharat Rasayan Ltd (JV Company) |

39.3 : Transaction with Related Parties

Amount (₹ in Lakhs)

| S. No. | Particulars | Nature of Transaction | Transaction during the Period | | Outstanding Amount Payable/(Receivables) | |
|--------|-------------------------------|--------------------------|-------------------------------|-----------------------|--|-----------------------|
| | | | Year ended 31.03.2020 | Year ended 31.03.2019 | Year ended 31.03.2020 | Year ended 31.03.2019 |
| 1 | Shri S.N.Gupta | Managerial Remuneration | 558.84 | 423.73 | - | 3,837.64 |
| | | Loan taken | 1,638.56 | 807.50 | - | |
| | | Loan repaid | 2,571.70 | 497.80 | 3,216.85 | |
| | | Interest on loan | 347.05 | 298.13 | - | |
| 2 | Shri M.P.Gupta | Managerial Remuneration | 540.84 | 405.73 | - | 2,279.65 |
| | | Loan taken | 733.00 | 708.00 | - | |
| | | Loan repaid | 1,184.00 | 456.00 | 2,041.82 | |
| | | Interest on loan | 236.85 | 191.97 | - | |
| 3 | Shri R.P.Gupta | Managerial Remuneration | 1,063.89 | 793.67 | - | 377.67 |
| | | Loan taken | 619.00 | 1,100.00 | - | |
| | | Loan repaid | 597.90 | 872.60 | 434.37 | |
| | | Interest on loan | 39.55 | 32.97 | - | |
| 4 | Shri Kamleshwar Prasad Uniyal | Managerial Remuneration | 42.82 | 0.15 | - | - |
| 5 | Shri Ajay Gupta | Managerial Remuneration | 66.10 | 57.85 | - | - |
| 6 | Shri Abhay Kumar Sharma | Managerial Remuneration | - | 44.87 | - | - |
| 7 | B R Agrotech Limited | Sales | 11,643.66 | 17,095.16 | - | 935.79 |
| | | Job Work Paid | 23.72 | - | 3,175.04 | |
| | | Business Support Income | 34.61 | - | - | |
| | | Material purchased | 1,132.34 | 3,554.97 | - | |
| 8 | Bharat Agrochem LLP | Material purchased | 0.19 | 46.09 | 174.00 | - |
| | | Sales | 663.77 | 906.09 | - | - |
| 9 | Bharat Insecticides Limited | Material purchased | 1,817.39 | 942.21 | - | 1,269.09 |
| | | Rent paid | 5.95 | 5.56 | - | |
| | | Job Work (Income) | - | - | - | |
| | | Job Work (Paid) | 5.72 | 4.66 | 64.96 | |
| | | Business Support Income | 36.31 | - | - | |
| | | Business Support Expense | 6.51 | - | - | |
| | | Sales | 4,216.22 | 4,584.72 | - | |



Amount (₹ in Lakhs)

| S. No. | Particulars | Nature of Transaction | Transaction during the Period | | Outstanding Amount Payable/(Receivables) | |
|--------|-------------------------|-----------------------|-------------------------------|-----------------------|--|-----------------------|
| | | | Year ended 31.03.2020 | Year ended 31.03.2019 | Year ended 31.03.2020 | Year ended 31.03.2019 |
| 10 | Smt. Sweety Gupta | Loan received | - | 5.80 | - | 78.88 |
| | | Loan repaid | 4.65 | 4.05 | 80.42 | |
| | | Interest paid on Loan | 6.87 | 6.79 | - | |
| 11 | Shri Dinesh Gupta | Loan received | - | - | - | 8.22 |
| | | Loan Repaid | - | - | 8.90 | |
| | | Interest Paid on Loan | 0.74 | 0.69 | - | |
| 12 | M.P.Gupta & Sons (HUF) | Loan received | 140.00 | - | - | 209.91 |
| | | Loan Repaid | 83.00 | 54.00 | 284.66 | |
| | | Interest Paid on Loan | 19.71 | 19.62 | - | |
| 13 | Smt. Savita Gupta | Loan received | 733.80 | 5.00 | - | 88.62 |
| | | Interest Paid on Loan | 18.07 | 7.35 | 244.69 | |
| | | Loan Repaid | 594.00 | 12.00 | - | |
| 14 | Mr. Vikas Gupta | Loan received | 78.00 | - | - | 958.56 |
| | | Interest Paid on Loan | 66.34 | 79.81 | 5.28 | |
| | | Loan Repaid | 1,091.00 | - | - | |
| 15 | R.P.Gupta & Sons (HUF) | Loan received | - | - | - | 37.72 |
| | | Interest Paid on Loan | 1.00 | 6.61 | - | |
| | | Loan Repaid | 38.63 | 97.50 | - | |
| 16 | Smt. Manju Gupta | Loan received | 190.00 | 197.00 | - | 161.40 |
| | | Interest Paid on Loan | 13.07 | 15.93 | 204.17 | |
| | | Loan Repaid | 159.00 | 247.50 | - | |
| 17 | Mr. Sahil Gupta | Loan received | 235.00 | 198.00 | - | 237.68 |
| | | Interest Paid on Loan | 11.32 | 15.37 | 116.87 | |
| | | Salary Paid | 4.70 | 4.65 | - | |
| | | Loan Repaid | 366.00 | 58.00 | - | |
| 18 | Ms Neha Gupta | Loan received | - | - | - | - |
| | | Interest Paid on Loan | - | 0.89 | - | |
| | | Loan Repaid | - | 15.79 | - | |
| 19 | S.N. Gupta & Sons (HUF) | Loan Received | 4.00 | 8.00 | - | 8.32 |
| | | Loan Repaid | - | - | 13.25 | |
| | | Interest Paid on Loan | 1.03 | 0.36 | - | |
| | | Rent paid | 12.00 | 12.00 | - | |

Note : Related Party Transactions are as identified by the Company.



NOTE NO. 40 : Retirement Benefits

The summarized position of Post-employment benefits and long term employee benefits recognized in the statement of Profit & Loss and Balance Sheet are under:-

(a) Change in the present value of the obligation **Amount (₹ in Lakhs)**

| Particulars | As at 31.03.2020 | | As at 31.03.2019 | |
|--|-------------------|-----------------------------|-------------------|-----------------------------|
| | Gratuity (Funded) | Leave Encashment (Unfunded) | Gratuity (Funded) | Leave Encashment (Unfunded) |
| Opening Present value of obligation | 337.20 | 106.13 | 266.02 | 87.51 |
| Interest Cost | 25.80 | 8.12 | 20.75 | 6.83 |
| Current service cos | 49.88 | 28.39 | 37.93 | 22.44 |
| Past service cost including curtailment gains/losses | - | - | - | - |
| Benefits paid | (22.57) | (52.39) | (6.80) | (44.60) |
| Actuarial loss/(gain) on obligations | 63.26 | 38.23 | 19.3 | 33.95 |
| Closing Present value of obligation | 453.56 | 128.48 | 337.20 | 106.13 |

(b) Change in present value of plan asset

| | | | | |
|--------------------------------------|---------------|------------|---------------|------------|
| Opening Fair value of plan assets | 377.78 | NIL | 304.99 | NIL |
| Difference in Opening | NIL | NIL | NIL | NIL |
| Expected return on plan assets | 24.88 | NIL | 23.61 | NIL |
| Employers contribution | NIL | NIL | 55.98 | NIL |
| Benefits paid | (22.57) | NIL | (6.80) | NIL |
| Actuarial (loss)/gain on obligations | NIL | NIL | NIL | NIL |
| Closing Fair value of plan assets | 380.09 | NIL | 377.78 | NIL |

(c) Amount recognized in Balance Sheet

| | | | | |
|---|--------------|---------------|----------------|---------------|
| Estimated present value of obligations at end of the year | 453.56 | 128.48 | 337.20 | 106.13 |
| Fair value of plan assets at the end of year | 380.09 | - | 377.78 | - |
| Funded Status | (73.47) | (128.48) | 40.58 | (106.13) |
| Net liability recognized in balance sheet | 73.47 | 128.48 | (40.58) | 106.13 |

(d) Expense recognized in the Statement of Profit & Loss

| | | | | |
|--|--------------|--------------|--------------|--------------|
| Current service cost | 49.88 | 28.39 | 37.93 | 22.44 |
| Interest Cost | (3.11) | 8.12 | (3.04) | 6.83 |
| Actuarial Gain and loss | - | 38.23 | - | 33.95 |
| Total expenses recognized in Profit & Loss Account | 46.78 | 74.74 | 34.89 | 63.22 |



| Particulars | Amount (₹ in Lakhs) | | | |
|---|------------------------------|-----------------------------------|------------------------------|-----------------------------------|
| | As at 31.03.2020 | | As at 31.03.2019 | |
| | Gratuity (Funded) | Leave Encashment (Unfunded) | Gratuity (Funded) | Leave Encashment (Unfunded) |
| (e) Remeasurement recognized in Other Comprehensive Income | | | | |
| Actuarial gain/ (loss) for the year on Asset | (4.02) | - | (0.18) | - |
| Actuarial gain/ (loss) for the year on PBO | (63.26) | - | (19.30) | - |
| Unrecognized actuarial gain/ (loss) for the year | (67.28) | - | (19.48) | - |
| (f) Principal actuarial assumption as expressed as weighted average | | | | |
| Discount rate | 6.76% | 6.76% | 7.65% | 7.65% |
| Imputed rate of Interest | | | | |
| Expected rate of salary increase | 5.00% | 5.00% | 5.00% | 5.00% |
| Method used | Projected Unit Credit Method | | Projected Unit Credit Method | |
| (g) Bifurcation of PBO at the end of year in Current and Non-Current | | | | |
| Current liability (Amount due within one year) | 17.25 | 15.59 | 15.71 | 17.41 |
| Non-Current liability (Amount due over one year) | 436.31 | 112.89 | 321.48 | 88.72 |
| Total PBO at the end of year | 453.56 | 128.48 | 337.19 | 106.13 |

(h) Sensitivity Analysis:

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be co-related. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the statement of financial position.

| Change in | Change in assumptions | Effect on Gratuity obligation | Effect on Leave Encashment |
|--------------------|-----------------------|-------------------------------|----------------------------|
| Discount Rate | +0.5% | (18.41) | (5.87) |
| | -0.5% | 19.82 | 6.38 |
| Salary Growth Rate | +0.5% | 20.07 | 6.46 |
| | -0.5% | (18.79) | (5.99) |

(i) Maturity Profile of Defined Benefit Obligation

| S.No | Year | Gratuity-Amount | Leave-Amount |
|------|----------------|-----------------|--------------|
| a) | 0 to 1 Year | 17.25 | 15.59 |
| b) | 1 to 2 Year | 22.49 | 3.07 |
| c) | 2 to 3 Year | 38.28 | 7.99 |
| d) | 3 to 4 Year | 24.52 | 5.97 |
| e) | 4 to 5 Year | 46.61 | 11.48 |
| f) | 5 to 6 Year | 27.18 | 5.55 |
| g) | 6 Year onwards | 277.23 | 78.84 |



NOTE NO. 41 : Corporate Social Responsibility

As per the requirement of the provisions of the Companies Act, 2013, the Company has made Corporate Social Responsibility contribution.

Note 42 : 'Ind AS-115 'Revenue from contracts with Customers Disclosures

(a) Disaggregation of revenue

Below is the disaggregation of the Company's revenue from contracts with customers:

For the year ended March 31, 2020 **Amount (₹ in Lakhs)**

| Type of goods or service | Sale of Products | Job Work Income | Total |
|--|--------------------|-----------------|--------------------|
| Timing of satisfaction of performance obligation: | | | |
| Over time | - | - | - |
| At a point in time | 1,19,354.68 | 1,084.50 | 1,20,439.18 |
| Total | 1,19,354.68 | 1,084.50 | 1,20,439.18 |

Method for measuring performance obligation:

| | | | |
|---------------|--------------------|-----------------|--------------------|
| Input method | 1,19,354.68 | 1,084.50 | 1,20,439.18 |
| Output method | - | - | - |
| Total | 1,19,354.68 | 1,084.50 | 1,20,439.18 |

For the year ended March 31, 2019 **Amount (₹ in Lakhs)**

| Type of goods or service | Sale of Products | Job Work Income | Total |
|--|------------------|-----------------|------------------|
| Timing of satisfaction of performance obligation: | | | |
| Over time | - | - | - |
| At a point in time | 97,345.88 | 963.64 | 98,309.52 |
| Total | 97,345.88 | 963.64 | 98,309.52 |

Method for measuring performance obligation:

| | | | |
|---------------|------------------|---------------|------------------|
| Input method | 97,345.88 | 963.64 | 98,309.52 |
| Output method | - | - | - |
| Total | 97,345.88 | 963.64 | 98,309.52 |

(b) The Company has applied modified retrospective approach for the application of Ind AS 115 "Revenue from contracts with customers" and the effect is Nil on retained earnings as at April 1, 2019.

(c) Contract Balances

Amount (₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------|----------------------|----------------------|
| Contract balances | | |
| Trade receivables (Note 10.1) | 25,058.83 | 27,908.74 |
| Contract assets | - | - |
| Contract liabilities (Note 19) | 89.86 | 17.72 |



- (i) Trade receivables are non-interest bearing and the customer profile include MNC, Public and Private sector enterprises. The Company's operating cycle is 12 months. General payment terms include payments with a credit period of 90 days.
- (ii) Contract assets is recognised over the period in which services are performed to represent the Company's right to consideration in exchange for goods or services transferred to the customer.

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-----------------------------|-----------------------------|
| Contract Asset at the beginning of the year | - | - |
| Transfer from Contract Asset to Trade Receivable | - | - |
| Contract Asset at the end of the year | - | - |

- (iii) Contract Liabilities represents the amount of advance received from Customers.

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-----------------------------|-----------------------------|
| Contract Liabilities at the beginning of the year | 17.72 | 30.36 |
| Contract Liabilities at the end of the year | 89.86 | 17.72 |

- (d) The following table shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities.

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-----------------------------|-----------------------------|
| Amount received as advance from customers | - | - |
| Amount recognised as a revenue during the year | 17.72 | 30.36 |
| Amount due to customers | - | - |

There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

43 Disclosure as required by Ind AS 1 "Presentation of Financial Statements" Changes in significant accounting policies:

Policy of 'Leases' has been modified in the significant accounting policies due to the applicability of Ind AS 116 "Leases".

Ind AS 116 was notified with effect from April 1, 2019 which replaces Ind AS 17. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor. The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. **The Company elected to use the transition practical expedient not to reassess whether contract is or contains lease at April 01, 2019.** Instead, the Company applied the standards only to contracts that were previously identified as leases applying Ind AS 17.



The effect of adoption Ind AS 116 as at April 01 2019 (increase/(decrease)) is as follows:

| Amount (₹ in Lakhs) | |
|---|----------------|
| Particulars | Amount |
| Assets | |
| Property, plant and equipment | (88.92) |
| Prepayments | - |
| Total assets | (88.92) |
| Liabilities | |
| Financial liabilities - Lease liabilities | - |
| Total liabilities | - |
| Other Equity | (88.92) |

The Company has lease contracts for office buildings, land and godowns. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases.

Company has recognized the right of use assets under the head of the Property, Plant and Equipment as per the guidance given under Ind AS-116.

Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets equal the lease assets recognised under IAS 17). The requirements of Ind AS 116 were applied to these leases from April 01, 2019 by adjustment through modified retrospective method.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases. The lessee recognizes a lease liability measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application and correspondingly measured the right-of-use asset at an amount equal to the lease liability, adjusted for previously recognized prepaid or accrued lease payments.

The Company also applied the available practical expedients wherein it:

- (i) Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- (ii) Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application and the total lease term is less than 12 months
- (iii) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- (iv) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

44 Ind AS-116 "Leases Disclosures are as under:-

a) Company as a Lessee

The Company as a lessee has entered into various lease contracts, which includes lease of land, office space and godowns. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.



Right of Use Assets

Company has recognized the right of use assets under the head of the Property, Plant and Equipment as per the guidance given under Ind AS-116. The carrying amounts of right-of-use assets recognised and the movements during the year are disclosed below.

(₹ in Lakhs)

| Particulars | As at 31st March 2020 |
|--|-----------------------|
| | Amount |
| Balance at April 1, 2019 | 821.66 |
| Addition | - |
| Impact due to adoption of the Ind AS-116 | 88.92 |
| Depreciation charge during the year | 8.30 |
| Disposals/adjustments during the year | - |
| Balance at March 31, 2020 | 724.44 |

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:

(₹ in Lakhs)

| Particulars | As at 31st March 2020 |
|----------------------------------|-----------------------|
| | Amount |
| Balance at April 1, 2019 | - |
| Addition | - |
| Accretion of interest | - |
| Payments | - |
| Balance at March 31, 2020 | - |
| Current | - |
| Non-current | - |

Amounts recognised in Statement of Profit and Loss

(₹ in Lakhs)

| Particulars | For the year ended 31st March 2020 |
|---|------------------------------------|
| Depreciation expense of right-of-use assets | 8.30 |
| Interest expense on lease liabilities | - |
| Expense relating to short-term leases | 12.21 |
| | 20.51 |

45 Covid-19 Disclosures

The World Health Organisation (WHO) declared outbreak of novel Coronavirus (COVID -19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared nationwide lockdown on March 24, 2020 and ordered temporarily closure of non-essential businesses, imposed



restrictions on the movement of goods and services, travel etc. The plant operations of the Company were under shutdown due to nationwide lockdown. In view of the unprecedented COVID-19 pandemic and economic forecasts, the Management has assessed the recoverability of its assets including receivables & inventories. In such assessment, the Company has considered internal and external information upto the date of approval of these financial statements including economic forecasts. The Company has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. Management continues to monitor the impact that the COVID-19 pandemic is having on the Company, the specialty chemical industry and the economies in which the Company operates.

(i) Financial performance

The Company believes that for the year 2019-20, there has been no significant impact of Covid19 pandemic on the financial performance of the Company in terms of revenue and profitability of the Company.

(ii) Liquidity

The Company has access to sufficient liquidity for its operation.

The Company expects to recover the carrying amount of its assets comprising property, trade receivables, deferred taxes, other financial and non-financial assets etc. in the ordinary course of business based on information available on current economic conditions.

(iii) Steps taken for smooth functioning

During the lockdown period, the Company has taken various steps towards rethinking the new normal for the business post COVID-19 lockdown. The working at non-critical locations of the Company was streamlined with work from home norms and roster for the employees as per the guidelines issued by the government authorities was finalised. Further, the Company has put in place stringent monitoring processes for COVID-19 ensuring the following:

- (i) Thermal Screening of all employees and visitors
- (ii) Sanitizing the premises and vehicles on regular basis
- (iii) Maintenance of social distancing at all work places
- (iv) Enforcing wearing of masks and regular cleaning of hands
- (v) Regular health updates of all the employees and their families

46 Events occurring after the Reporting date

Holding Company has entered in agreement to sale for a land situated at DP 53-55 Sayakha-1 GIDC Industrial Estate Sayakha-392140 Taluka -Vagra District-Bharuch Gujarat with its Joint Venture Company "Nissan Bharat Rasayan Private Limited" for a sum of ₹1984.81/- lakhs on dated 21st May, 2020.



47 Disclosure as per Schedule III to the Companies Act, 2013

| Name of the entity in the Group | Net Assets, i.e., total assets minus total liabilities as at | | Share in profit or loss for the year ended | | Share in other comprehensive income for the year ended | | Share in total comprehensive income for the year ended | |
|---------------------------------------|--|------------------|--|------------------|--|----------------|--|------------------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of total comprehensive income | Amount |
| As at 31 March 2020 | | | | | | | | |
| Bharat Rasayan Limited | 98.40% | 55,511.87 | 100.00% | 15,764.19 | 100.00% | (67.28) | 100.00% | 15,696.91 |
| Nissan Bharat Rasayan Private Limited | 1.60% | 900.00 | 0.00% | - | 0.00% | - | 0.00% | - |
| Total | 100.00% | 56,411.87 | 100.00% | 15,764.19 | 100.00% | (67.28) | 100.00% | 15,696.91 |
| As at 31 March 2019 | | | | | | | | |
| Bharat Rasayan Limited | 100.00% | 40,880.71 | 100.00% | 11,152.43 | 100.00% | (19.48) | 100.00% | 11,132.95 |
| Nissan Bharat Rasayan Private Limited | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| Total | 100.00% | 40,880.71 | 100.00% | 11,152.43 | 100.00% | (19.48) | 100.00% | 11,132.95 |

Nissan Bharat Rasayan Private Limited is an Joint venture company are consolidated as per the Equity Method.

48 Investments in Joint Venture

Bharat Rasayan Limited has established a Joint venture company "Nissan Bharat Rasayan Private Limited" with the Nissan Chemical Corporation by agreement dated 18.02.2020 in the investment proportion of the 30% and 70% respectively.

The Consolidated financial statements has been prepared based on the unaudited financial statements of the Nissan Bharat Rasayan Private Limited, due to unavailability of the audited financial statements at the time of finalization of the Consolidated accounts.

Nissan Bharat Rasayan Private Limited was incorporated in the Feb 2020 and during the period Feb 2020 to March 2020 company has only incurred the pre-incorporation expenses of amounting ₹116.01 lakhs and the same has been capitalized, therefore by applying the equity method of consolidation it does not result in any impact on the Consolidated financial statement of the Group.

(i) Interest in Joint Venture

Below are the details of an joint venture of the Company as at 31 March, 2020. The share capital of the entity consists solely of equity shares, which are held directly by the Company. The country of incorporation or registration, India, is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.



Amount (₹ in Lakhs)

| Particulars | As At 31st March, 2020 |
|--|---------------------------|
| Nissan Bharat Rasayan Private Limited | |
| Ownership interest held by the group | 30.00% |
| Carrying amount | 900.00 |
| Accounting method | Equity Method |

Nissan Bharat Rasayan Private Limited is primarily involved in the manufacturing of pesticides.

(ii) Summarised financial information for joint venture

The tables below provide summarised financial information for the joint venture. The information disclosed reflects the amounts presented in the unaudited financial statements of the joint venture and not the company's share of those amounts.

Summarised balance sheet

Amount (₹ in Lakhs)

| Particulars | As At 31st March, 2020 |
|-------------------------|---------------------------|
| Current assets | 3,000.60 |
| Non-current assets | - |
| Current liabilities | 0.60 |
| Non-current liabilities | - |
| Net assets | 3,000.00 |

Reconciliation to carrying amounts

Amount (₹ in Lakhs)

| Particulars | As At 31st March, 2020 |
|---|---------------------------|
| Opening net assets | 3,000.00 |
| Profit/(loss) for the year | (116.01) |
| Transfer to Preliminary Expense (Pre Operating Expense) | 116.01 |
| Other comprehensive income for the year | - |
| Shares issued | - |
| Interim dividend paid | - |
| Tax on interim dividend | - |
| Closing net assets | 3,000.00 |
| Group's share in % | 30.00% |
| Group's share in INR | 900.00 |
| Carrying amount | 900.00 |



Summarised statement profit and loss

Amount (₹ in Lakhs)

| Particulars | For the year ended 31st March, 2020 |
|--|--|
| Revenue (including Other Income) | 4.20 |
| Profit/loss from continuing operations | (116.01) |
| Post-tax profit or loss from discontinued operations | (116.01) |
| Other comprehensive income | - |
| Total comprehensive income | (116.01) |

49 Operating segment are reported in the manner consistent with the internal reporting provided to chief operating decision maker(CODM). CODM has identified only one operating segment, hence no separate disclosure are required.

50 Approval of financial statement

The Consolidated financial statements were approved for issue by the Board of Directors on 26th June, 2020.

Bharat RASAYAN LIMITED

Regd. Office : 1501, Vikram Tower, Rajendra Place, New Delhi - 110 008

Phone No. : 011-43661111, **Fax No. :** 011-43661100

Email-ID : investors.br1@bharatgroup.co.in, **Website :** www.bharatgroup.co.in

CIN : L24119DL1989PLC036264

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 | |
| E-mail ID | |
| Folio No./DP ID & Client ID | |

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint:

- Name : _____ Address: _____
E-mail ID: _____ Signature: _____ or failing him/her
- Name : _____ Address: _____
E-mail ID: _____ Signature: _____ or failing him/her
- Name : _____ Address: _____
E-mail ID: _____ Signature: _____

as my /our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on Thursday, the 24th day of September, 2020 at 10:30 A.M. at Hotel Regent Grand, 2/6, East Patel Nagar, New Delhi-110008, and at any adjournment thereof in respect of such resolutions as are indicated below:

| Item No. | Description | No. of Shares held by me/us | I/We assent to the Resolution (FOR) | I/We dissent to the Resolution (AGAINST) |
|--------------------------|--|-----------------------------|-------------------------------------|--|
| ORDINARY BUSINESS | | | | |
| 1. | Adoption of Accounts | | | |
| 2. | Declaration of Dividend | | | |
| 3. | Rotation of Director | | | |
| 4. | Rotation of Director | | | |
| 5. | Ratification of Appointment of Auditors | | | |
| SPECIAL BUSINESS | | | | |
| 6. | Revision in the Remuneration of Shri Ajay Gupta (DIN:02187741), Whole Time Director/ Executive Director of the Company | | | |
| 7. | Ratification of remuneration payable to M/s. M.K.Singhal & Co., Cost Accountants, appointed as Cost Auditors of the Company for financial year 2020-21 | | | |

Signed thisday of2020.

Please
affix
Revenue
Stamp

(Signature of the shareholder)

Signature of Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the FOR/AGAINST column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he or she may deem appropriate.

Bharat RASAYAN LIMITED

Regd. Office : 1501, Vikram Tower, Rajendra Place, New Delhi - 110 008

Phone No. : 011-43661111, **Fax No. :** 011-43661100

Email-ID : investors.br1@bharatgroup.co.in, **Website :** www.bharatgroup.co.in

CIN : L24119DL1989PLC036264

ATTENDANCE SHEET

31st ANNUAL GENERAL MEETING

THURSDAY, 24th SEPTEMBER, 2020, AT 10:30 A.M. AT

HOTEL REGENT GRAND

2/6, East Patel Nagar, New Delhi-110008

| | |
|--------------------------------|--|
| Name of the Shareholder/Proxy* | |
| Folio No. / DP ID & Client ID* | |
| Address | |
| No. of shares held | |

I/ We hereby record my/ our presence at the Annual General Meeting of the Company.

Place :

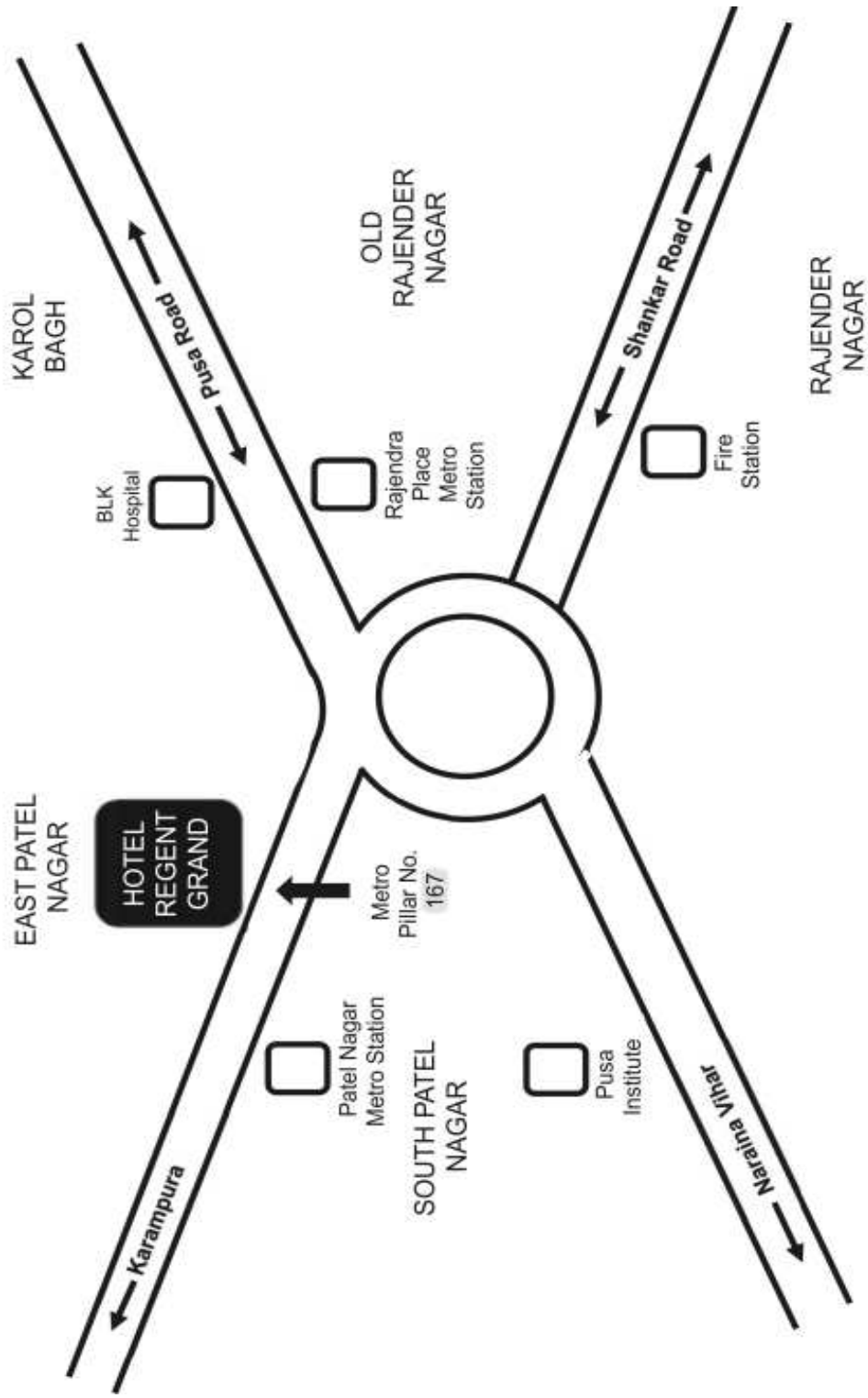
Dated :

**(Signature of the shareholder/proxy*
to be signed at the attendance counter)**

*Delete whichever is not applicable

Note : Please complete this Attendance Slip and handover at the entrance gate. Only Members or their Proxies are entitled to be present at the Meeting.

ROUTE MAP



If undelivered, please return to :
BHARAT RASAYAN LIMITED
1501, Vikram Tower, Rajendra Place,
New Delhi - 110 008.