OBL:HO:SEC:00: New Delhi : 19.07.2020

BSE Limited
Corporate Relation Department
1st Floor, New Trading Ring
Rotunga BuildingPhiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001

Stock Code - 530365

National Stock Exchange of India Ltd.
Exchange Plaza,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E)
Mumbai-400 051

Stock Code: ORIENTBELL

Sub. : Submission of Annual Report - 2019-20 of the Company, pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the Financial Year 2019-20 along with notice of the 43rd Annual General Meeting to be held on Thursday, the 13th day of August 2020 at 11.00 a.m. through Video Conferencing/Other Audio Visual Means (VC/OAVM).

In compliance with provisions of the General Circular Nos. 14/2020, dated 8th April, 2020, 17/2020, dated 13th April, 2020 and 20/2020 dated 5th May, 2020 issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, issued by the SEBI, the Annual Report along with the Notice of Annual General Meeting are being sent only by email to all those members, whose email addresses are registered with the Company /Depository Participant(s).

The aforesaid documents are also available on the Company's website at www.orientbell.com

This is for your information and to take the same on record.

Yours faithfully,
for Orient Bell Limited

Yogesh Mendiratta
Company Secretary & Head-Legal

Encl: as above

orientbell tiles

2019-20

ANNUAL REPORT

Contents

11
EN 14411

IS 15622:2006
CM/L-8700002408

Orient Bell Limited (OBL) is amongst the most professional manufacturers of Wall & Floor Tiles. Its roots in the industry can be traced as early as 1977.

OBL has always been a pioneer in the industry with a focus on customer-centric innovation. It was the first to manufacture ultra-vitrified tiles. For OBL, new product design & development is a continuous process. As a result it has an extensive range of tiles with various finishes & textures. It has 4 patent-pending technologies : Forever Tiles, Germ Free Tiles , Cool Tiles & Life Tiles.

OBL has a chain of signature showrooms to display this extensive range of tiles. It is privileged to be associated with premier architects and construction agencies of the country. It counts most leading developers as well as government & public sector institutions as its customers.

At OBL we believe in excellence. The ISO 9001 : 2015 accredation for our quality control management systems reflects our quest for manufacturing products that meet international standards. In 2015, our Sikandarabad plant was awarded with prestigious ISI certification for its products.

As early as in May 2000, OBL was awarded the prestigious ISO 14001 certification by the internationally recognised BSI management systems, UK. Our manufacturing units are ISO 14001:2015 certified, the most complete and global expression for an environment friendly industrial company.

We believe in making great products in a safe, healthy and environment friendly way. We have been awarded OHSAS 18001 Certification for Health & Safety Standards. No waste water is ever discharged from our factory.

OBL won the "Certificate of Merit" in "National Energy Conversation Award" 2016 organised by Ministry of Power for saving Power and Fuel consumption.

Corporate information

BOARD OF DIRECTORS

Mr. Mahendra K. Daga, Chairman & Whole Time Director
Mr. Madhur Daga, Managing Director
Mr. K.M. Pai
Mr. P.M. Mathai
Mr. Sameer Kamboj
Ms. Tanuja Joshi

AUDIT COMMITTEE

Mr. Sameer Kamboj (Chairman)
Mr. K.M. Pai
Mr. P.M. Mathai

STAKEHOLDERS RELATIONSHIP AND GRIEVANCE COMMITTEE

Ms. Tanuja Joshi (Chairperson)
Mr. Madhur Daga
Mr. K.M. Pai

NOMINATION AND REMUNERATION COMMITTEE

Mr. P.M. Mathai (Chairman)
Mr. K.M. Pai
Ms. Tanuja Joshi

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Madhur Daga (Chairman)
Mr. Sameer Kamboj
Ms. Tanuja Joshi

COMPENSATION COMMITTEE

Mr. P.M. Mathai (Chairman)
Mr. Mahendra K. Daga
Mr. Sameer Kamboj
Ms. Tanuja Joshi

KEY MANAGERIAL PERSONNEL

Mr. Aditya Gupta, Chief Executive Officer
Mr. Himanshu Jindal, Chief Financial Officer
Mr. Yogesh Mendiratta, Company Secretary

STATUTORY AUDITORS

M/s B.R. Gupta & Co., New Delhi

BANKERS / LENDERS

State Bank of India
Punjab National Bank
Axis Bank
IndusInd Bank
IDBI Bank
ICICI Bank
IDFC Bank
Tata Capital Financial Services Limited

SHARE TRANSFER AGENT

M/s MCS Share Transfer Agent Limited
F-65, Okhla Industrial Area, Phase-I,
New Delhi – 110 020
Tel: +91 11 41406149

REGISTERED OFFICE

8, Industrial Area, Sikandrabad – 203 205
Distt. Bulandshahr (U.P.)
Tel : +91 5735 222203/22424, +91 8191004575 / 76
Fax : +91 5735 222642

CORPORATE OFFICE

IRIS House, 16, Business Centre,
Nangal Raya, New Delhi – 110 046
Tel : +91 11 47119100

PLANTS

1. Industrial Area
   Sikandrabad,
   Bulandshahr (U.P.)
2. Village Dora, Taluka Amod,
   Dist. Bharuch – 392230, Gujarat.
3. Village Chokkahalli,
   Taluka Hoskote,
   Bengaluru (Rural)- 562114
   Karnataka

CIN: L14101UP1977PLC021546

BOARD'S REPORT

Dear Members,

Your Directors take pleasure in presenting the Forty Third Annual Report and the audited accounts for the financial year ended March 31, 2020.

Financial Results (₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019*
Net Sales/ Revenue from Operations (adjusted for taxes)	49,056	56,945
Profit before finance cost, depreciation, taxation and exceptional item	3,131	3,895
Finance Cost	809	871
Depreciation	2,059	1,652
Exceptional Item (Net)	0	0
Profit before taxation	263	1,372
Operating Profit before taxation	263	1,372
Tax expense	(420)	482
Profit after tax	683	890
Other Comprehensive Income (Net of Taxes)	65	64
PAT with Other Comprehensive Income	748	954
Earning per share (₹)	4.78	6.24

*regrouped

Performance Highlights

During the year under review FY 2019-20, your Company's Net Sales is ₹ 49,056 lakhs as against ₹ 56,945 lakhs in the previous year FY 2018-19 and the Profit Before Tax (PBT) for the current fiscal FY 2019-20 is ₹ 263 lakhs as against ₹ 1,372 lakhs in the previous year FY 2018-19.

Challenging market conditions continued to persist during FY20. Liquidity remained scarce while certain one off factors too played during the course of the year restricting volumes and thus topline.

Concerted efforts continued on the costs front. Optimization of manufacturing Key Performance Indicators (KPI's), alternative procurement options, rationalization of administrative overheads etc. explored to achieve a favourable cost base. The company was also able to realize significant savings in power and fuel costs by switching from LPG to RLNG and by use of solar power at its Hoskote plant.

Despite challenging market conditions, your company was able to reduce overall debt by ~50% during the year. Core cash conversion cycle was reduced by ~19 days driven by sharp focus on collections and inventory and also renegotiation on payment terms with key suppliers.

The strict financial prudence exhibited by your company also reflected through reaffirmation of the credit ratings by CRISIL as A-/Negative.

During the year under review your Company on boarded a Chief Human Resource Officer ("CHRO") to complete the CXO suite. On people front, your Company also identified various new positions under the Sales function to strengthen overall structure and to improve market penetration. Your Company is focusing on quality hiring and recruitments based on competencies that drive success. Several reward and recognition programs, training calendars have driven engagement for all functions. The interaction of CXO's with your Company's Channel Partners as well as with Staff has increased significantly. The Managing Director has had many townhall meetings to encourage a culture that fosters openness & transparency.

The "CEO with HR Orientation" award, from ZEE BUSINESS National Human Capital Leadership Congress recognises our early efforts to build a company with competencies for future success.

During the year under review, your Company has launched several new categories, sizes and designs to augment its product portfolio -

- Valencica (SKD Floor, Sizes: 600x600) is an entirely new product developed in Sikandrabad Plant to cater to lower entry point for GVT-like aesthetics
- Full body tile (SKD Floor, Size: 600x600) was another first from the Sikandrabad Plant. With minimal investment, a whole new manufacturing process was

set-up to manufacture Full Body Tiles. This reduced the dependence on Morbi, and gave our channel partners the ease of ordering from Sikandrabad.

- Timeless Pavers (400x400) was another category of pavers introduced at Sikandrabad. Multiplica (SKD Wall, Sizes: 300 x 450 & 300 x 600) is an effort to increase the number of concepts by inspiring customers to mix & match tiles. This increased the variety your company offered with minimal addition of SKUs.
- Duazzle (HSK Wall, Sizes 250 x 375) is a unique product from Hoskote Plant that for the first time in the factory history produced wall tiles at Hoskote Plant. This gives channel partners to buy an even broader portfolio of products from Hoskote.

The Marketing Mix for all of these New Product Developments (NPDs) resulted from a very intense collaboration with customers. Each one of these launches have been accepted favorably by the market and your company is already reaping benefits from these initiatives.

Your Company has continued to engage with Channel Partners across India to strengthen our relationships with them as well as improve the quality of displays. As on 31-03-2020, the Company had opened 20 Tile boutiques in targeted cities, resulting in 166 Orient Bell Tile Boutiques (OBTBs) across the Country.

Your Company's thrust on digital means to create brand awareness using social media platforms and other customer centric tools (virtual showrooms) continued during FY20.

The branding efforts are being noticed and recognized externally. Realty+, a key publication focusing on real estate, recognized our marketing campaign as the Best Integrated Brand Campaign (Interior Exterior Award 2020). It also recognized our newly re-launched website as the Website Of The Year.

The Future of Retail Summit, recognized Quicklook as the 'Best Omnichannel Retail model'. It is already being used by 100+ channel partners for visualizing ambiences & sending quotations.

Covid-19 pandemic has only accentuated the need for digital and hence your company would continue to invest in this area to enhance customer connect and overall experience during FY21 as well.

Dividend

Your Directors do not recommend any dividend for the financial year ended 31st March, 2020.

Particulars of Loans, Guarantees or Investments

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in this Annual Report.

Public Deposits and Loans / Advances

Your Company has neither invited nor accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Transfer to Reserves

During the year under review, no amount was transferred to Reserves.

Particulars of Contracts or Arrangements made with Related Parties

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI Regulations. There are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large. The Disclosure in Form AOC-2 under Section 134(3)(h) of the Companies Act, 2013 is not required.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website. Detail of the transactions with Related Parties including the transaction(s) of the Company with a Company belonging to the promoter/promoter group which hold(s) more than 10% shareholding in the Company as required pursuant to para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is disclosed separately in the Financial Statements of the Company.

Directors and Key Managerial Personnel

Mr. Mahendra K. Daga shall retire at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment.

The first term of Ms. Tanuja Joshi as an Independent Director expired on 02nd November, 2019. Ms. Tanuja Joshi has given her consent to act as an Independent director for a further term of five years from 03rd November, 2019 to 02nd November, 2024. The Nomination & Remuneration Committee and the Board of Directors have subject to the approval of the Members, approved the appointment of Ms. Tanuja Joshi as an Independent Director for a second term from 03.11.2019 to 02.11.2024. In this respect, a special resolution forming part of the notice calling 43rd AGM has been proposed to be passed at the AGM.

The present term of appointment of Mr. Mahendra K. Daga is up to 31st March, 2021 as Chairman & Whole Time Director of the Company. The Nomination and Remuneration Committee and the Board of Directors have, subject to the approval of the members vide special resolution at the ensuing Annual General Meeting and such other approvals as may be necessary in this regard, approved the reappointment and remuneration of Mr. Mahendra K. Daga as Chairman & Whole Time Director of the Company for a further term of three years from 01.04.2021 to

31.03.2024. In this respect, a special resolution forming part of the notice calling 43rd AGM has been proposed to be passed at the AGM.

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

Statement regarding Integrity, Expertise and Experience of Independent Directors

In the opinion of the Board, the Independent Directors possess Very Good rating in respect of clear sense of value and integrity and have requisite expertise and experience in their respective fields. As regards the online proficiency self-assessment test conducted by Indian Institute of Corporate Affairs, it is yet to be undertaken by the Independent Directors.

Number of meetings of the Board

The Board met four times during the financial year, the details of which are provided in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015.

Directors' Responsibility Statement

Pursuant to Section 134(3) (c) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, make the following statement:

(a) that in the preparation of annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2020 and of the profit of your Company for the year ended on that date;

(c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) that the accounts for the financial year ended March 31, 2020 have been prepared on a 'going concern' basis;

(e) that internal financial controls were in place and that such internal financial controls were adequate and were operating effectively;

(f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Audit Committee

The Audit Committee comprises of two Independent Directors namely Mr. Sameer Kamboj (Chairman), Mr. P.M. Mathai (Member) and one Non Independent- Non Executive Director Mr. K.M. Pai (Member). All the recommendations made by the Audit Committee were accepted by the Board.

Investor Education & Protection Fund

Pursuant to Section 124(6) of the Companies Act, 2013 during the period under review, the Company has transferred 28,113 equity shares of ₹ 10/- each to Investor Education & Protection Fund in respect of which the dividends remained unpaid/ unclaimed for seven consecutive years i.e. from 2011-12 to 2017-18.

Nomination and Remuneration Policy

The Policy of the Company on Director's appointment and remuneration, specifying criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub section (3) of section 178 of the Companies Act, 2013, adopted by the Board, is available on the website of the Company at https://www.orientbell.com under the heading Investor Relations.

Risk Management Policy

Pursuant to the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formed a Risk Management Policy. This policy seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The policy defines the risk management approach across the enterprise at various levels including documentation and reporting. The Board of Directors reviews the risks appurtenant to the Company periodically and a statement of risks is mentioned under the head Management Discussion and Analysis Report which forms part of this Annual Report.

The Risk Management Policy as approved by the Board is uploaded on the Company's website https://www.orientbell.com under the heading Investor Relations.

Vigil Mechanism cum Whistle Blower Policy

The Company has in place Vigil Mechanism cum Whistle Blower Policy as per the provisions of Regulation 22 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and section 177(9) of the Companies Act, 2013. The Policy deals with the instances of unethical behavior-actual or suspected, fraud or violation of the Company's Code of Conduct. It provides for a mechanism for safeguarding a Whistle Blower against the victimization of Director(s)/ Employees and allows to approach the Chairman of the Audit Committee of the Company with the protected disclosure. The Whistle Blower may also approach the CEO of the Company for speedier enquiry. The Vigil Mechanism cum Whistle Blower Policy of the Company is uploaded on the Company's website https://www.orientbell.com under the heading Investor Relations.

Corporate Social Responsibility

The Corporate Social Responsibility Committee comprises Mr. Madhur Daga (Chairman), Ms. Tanuja Joshi and Mr. Sameer Kamboj (Members). The Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at https://www.orientbell.com under the heading Investor Relations.

The CSR activities, as per the provisions of the Companies Act, 2013, may also be undertaken through a Registered Trust. The Company continues to undertake the CSR activities directly and also through M/s Godavari Foundation, a Trust registered under Section 12A of the Income Tax Act, 1961 (registration no. DIT(E) 268-69/8E/196/90-91).

The Company undertakes initiatives in compliance with Schedule VII to the Act and guidelines, circulars issued by the Government from time to time.

The average net profit of the Company, computed as per Section 198 of the Act, during the three immediately preceding financial years (i.e. 2016-17, 2017-18 and 2018-19) was ₹ 21,78,81,646/-. During the year, under review the Company has spent ₹ 45,00,133/- on CSR activities against ₹ 43,57,633/- (2% of average net Profits of 3 immediately previous financial years).

The Annual Report on CSR activities is appended as ***Annexure 1 to the Board's Report.***

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 is appended as ***Annexure 2 to the Board's Report.***

Evaluation of the Board, its Committees and individual Directors

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

A separate exercise was carried out by the Nomination and Remuneration Committee of the Board to evaluate the performance of individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Employee Stock Option Scheme

The information required to be disclosed in terms of the provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Companies (Share Capital and Debentures) Rules, 2014 is appended as ***Annexure 3 to the Board's Report.***

Management Discussion and Analysis Report

Management Discussion and Analysis Report, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forming part of this report, has been given under separate section in the Annual Report.

Corporate Governance Report

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate for compliance of the provisions of Corporate Governance from the Statutory Auditors forms an integral part of this Report.

Annual Return

As per the provisions of section 134 (3) (a) the Annual Return of the Company is disclosed on the website of the Company https://www.orientbell.com under the heading Investor Relations.

Subsidiaries, Associates and Joint Ventures

Your Company has no Subsidiary or Joint Venture. By virtue of the control as defined under Section 2(6) of the Companies Act, 2013, your Company has two Associate Companies viz., M/s Proton Granito Private Limited and M/s Corial Ceramic Private Limited. No new Company has become or ceased to be the subsidiary, associate or joint venture during the year under review. The Board of Directors has reviewed the affairs of associates companies. In accordance with Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the company and its associate companies have been prepared, which forms part of this Annual Report. A Report on the performance and financial position of each of the associates companies included in the Consolidated Financial Statement and their contribution to the overall performance of the Company is appended in the prescribed format AOC-1 as ***Annexure 4 to the Board's Report.***

Particulars of Employees

The information as per Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as ***Annexure 5 to the Board's Report.***

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of employees and other particulars of the top ten employees and employees drawing remuneration in excess of the limits as provided in the said rules are set out in the Board's Report as an addendum thereto. However, in terms of provisions of the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report is being sent to the members of the Company excluding the aforesaid information. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

Auditors

Statutory Auditors

M/s B.R. Gupta & Co., Chartered Accountants, New Delhi Statutory Auditors of your Company have been appointed as such by the Shareholders at the 40th AGM held on 22nd September, 2017 to hold office from the conclusion of 40th AGM till the conclusion of 45th AGM to be held in the year 2022.

Auditors' Report

The Auditor's Report read with notes to the accounts referred to in the Auditor Report are self- explanatory and therefore do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark. There is no offence of fraud reported by the Statutory Auditors under section 143(12) of the Companies Act, 2013.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Vivek Arora, Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit, appended as ***Annexure 6 to the Board's Report*** does not contain any qualification, reservation or adverse remark.

Compliance with Secretarial Standards issued by ICSI

The Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) have been duly complied with by the Company.

Internal Financial Control System

The Company has well in place the Internal Financial Control Framework which is independently evaluated from time to time by in-house audit function for necessary improvement, wherever required. The detail in respect of adequacy of internal financial controls with reference to the financial statements is mentioned under the head Management Discussion and Analysis Report which forms part of this Annual Report.

Material changes and commitments between the end of the financial year and date of report

There is no material change and/or commitment held between the end of the financial year and the date of report affecting the financial position of the Company.

General

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee and is also having a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013". Your Directors further states that during the year under review, no case was received by the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

Acknowledgement

Your Directors wish to place on record their appreciation for dedicated service and contribution made by the employees of the Company at all levels. Your Directors would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from its customers, suppliers, bankers, financial institutions, business partners and other stakeholders.

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi	**Madhur Daga**	**P.M. Mathai**
Date: 17th June, 2020	Managing Director	Director

ANNEXURE – 1 TO BOARD'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES

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

The CSR initiatives of the Company aim towards (i) promoting education, including special education, (ii) Women hygiene (iii) helping elderly/ senior citizens (iv) ensuring environmental sustainability by conserving natural resources with a focus on plantation. The company has undertaken a projects of transformation of Government Schools at Hoskote (Karnataka), Lucknow (Uttar Pradesh), Delhi and Vill. Til Begumpur, Distt. Bulandshahr (U.P.) to ensure clean environment for school children and to make them suitable in terms of hygiene and health. The CSR Projects undertaken by the Company falls in line with the CSR Policy of the Company and Schedule VII of the Companies Act, 2013 as amended from time to time.

The Company's CSR policy has been uploaded on the website of the Company under the web-link: https://www.orientbell.com/media/investor_investor/c/s/csr-policy.pdf

Composition of the CSR Committee:

Mr. Madhur Daga, Chairman	-	Managing Director
Ms. Tanuja Joshi	-	Independent Director
Mr. Sameer Kamboj	-	Independent Director

Average net profit of the Company for last three financial years: ₹ 21,78,81,646/-.

Prescribed CSR Expenditure (2% of the average net profits of last three financial years): ₹ 43,57,633/-.

Details of CSR spent during the financial year 2019-20:

a) **Total amount spent** : ₹ 45,00,133/- was spent against ₹ 43,57,633/-.

b) **Amount unspent** : Nil

c) **Manner in which the amount spent during the financial year 2019-20 is detailed below:**

(Amount in ₹)

Sr. No	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes 1. Local area/others 2. Specify the state / district (Name of the District/s, State/s where project/ programme was undertaken)	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme Subheads: 1. Direct expenditure on project, 2. Overheads	Cumulative spent up to the reporting period from 01.04.2014 to 31.03.2020	Amount spent: Direct/through implementing agency*
Amount spent on CSR activities upto 31.03.2019						1,36,10,111	
1	Refurbish-ment & Development of school	Promoting Education	Hoskote - Karnataka	29,71,083	29,71,083	1,65,81,194	Godavari Foundation
2	Refurbish-ment & Development of Govern-ment Lower Primary school	Promoting Education	Delhi	12,94,088	12,94,088	1,78,75,282	Direct
3	Plantations	Environment Sustainability	Delhi	83,320	83,320	1,79,58,602	Direct
4	Maintenance of Government Primary School	Promoting Education	Til Begumpur (U.P.)	66,000	66,000	1,80,24,602	Direct

5	School Renovation & beautifica-tion	Promoting Education	Lucknow	29,725	29,725	1,80,54,327	Direct
6	Women Hygeine	Promoting Healthcare and Sanitation	Delhi	27,000	27,000	1,80,81,327	Godavari Foundation
7	Plantations	Environment sustainability	Delhi	13,917	13,917	1,80,95,244	Godavari Foundation
8	Basic ameni-ties for el-derly/ senior citizens	Helping elderly/ senior citizens	Delhi	12,000	12,000	1,81,07,244	Direct
9	Complemen-tary Therapies	Promoting special education	Haryana	3,000	3,000	1,81,10,244	Direct

*Godavari Foundation is a Registered Trust which fulfils the criteria for being appointed as an implementing agency in terms of Companies (Corporate Social Responsibility Policy) Rules, 2014. The said Trust was entrusted by the CSR Committee to carry out CSR activities on behalf of the Company in the areas specified in the CSR policy of the Company.

Responsibility Statement by the Corporate Social Responsibility Committee:

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

Place : New Delhi
Date : 17th June, 2020

Madhur Daga
Chairman-CSR Committee

Tanuja Joshi
Member-CSR Committee

ANNEXURE – 2 TO BOARD'S REPORT

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken:

At Sikandrabad Plant:

1. Changed under load motors at dust collector & cooling tower pump for energy saving, total saving 158 KWH/day.
2. Installed invertors at Spray Dryer Piston pump & Submersible pump, total saving 160 KWH/day.
3. Modified Fuel feeding system of Fluidized Bed Combustion Chamber to improve combustion efficiency & arrest heat leakage from roof & hot air duct for energy saving in spray dryer, Coal saving 1000 Kg/day.
4. Arrested heat leakage from Roof, side window, side wall in firing zone of Kiln and hot air used in Press dryer in GVT/PGVT product, saving 695 scm/day
5. At many sections like Glaze line waste water tank, GP tanks agitators reduced running time, saved 73 KWH/day.
6. Stopped idle running drive at Glazing line, saving 30 KWH/day.

At Hoskote Plant:

1. Replaced 14 nos. 250W HPMV light by 60W LED light and saved 26.6 KWH/day.
2. Replaced 10 nos. 40W Tube light by 18W LED light at milling area and saved 3.7 KWH/day.
3. Connected dust suction pipeline of wetting machine with SITI Press dust collector. It has resulted saving of 180 KWH/day.
4. Vaporizer unit stopped after changeover of fuel from LPG to RLNG, Saving of 300 KWH/day.
5. Replaced Chilling plant with cooling tower used at SITI presses operation, saving of approx. 300 KWH/day.
6. In Sacmi Kiln and Press dryer, arrested heat leakage from window, roof and modified the firing curve. This has resulted gas saving of 230 kgs/day.
7. Old GA30 compressor replaced with latest version of GA55VDS compressor. Net power saving of 300 KWH/day.
8. Started Solar power trading from third party. Approx. saving of ₹ 3 lacs per month.

At Dora Plant:

1. Modified firing curve of 5-layer dryer which has resulted saving of 180 scm/Day.
2. Arrested air leakage in overall plant and saved 105 KWH/day.
3. Changed under load motors at 5-layer dryer for energy saving, total saving 57 KWH/day.
4. At Ball Mill section improved power factor by installing additional capacitor bank, saved approx. 100 KWH/Day.
5. Stopped idle running of the plant machinery at various section for energy conservation.

(b) Additional investment on energy conservation equipment:

At Sikandrabad Plant:

1. 3 nos. of inverter to be provided at Kiln, Compressor, Press Enea cooler, expected saving will be 550 KWH/day
2. Replacement of old motors with energy efficiency IE3 motors, expected saving will be 372 KWH/day.
3. 6 nos of inverter to be provided at Glaze Line Hydro filters, expected saving will be 72 KWH/day.
4. To modify combustion system of Fluidized Bed Combustion Chamber to arrest heat leakage, expected coal saving will be 1200 Kg/day.
5. Old insulation to be replaced at many location of Kiln for fuel saving.

At Hoskote Plant:

1. To replace 25 numbers of Sodium vapor lamp with LED lamps, expected saving 50 KWH/day.
2. Installation of 30 KW Invertor at kiln smoke suction blower & indirect cooling blower, Expected saving appx 250 KWH/day.
3. At Sacmi press, to replace chilling plant by Enea cooling system, expected saving will be 800KW/day.

At Dora Plant:

1. Utilization of waste heat of gas generator into spray dryer. Approx. gas saving will be 400 scm/day.
2. Replacement of 20 nos of metal halide & Sodium vapor light with LED light. Approx. saving will be 25 KWH/day.
3. Installation of 40 KW Invertor for ball mill motor at GP, approx. saving will be 110 KWH/Day.
4. Installation of 22 KW Invertor for spray dryer blower motor, approx. saving will be. 50 KWH/Day.

B. TECHNOLOGY ABSORPTION

(a) **Efforts made towards technology absorption:**

At Sikandrabad Plant:

1. Introduction of Paver 300x300 & Elevation 300x600 mm.
2. Introduction Solar roof top energy power plant of 1MWp.
3. Introduction Energy management system ISO 50001:2018 EMS
4. Introduction of double fast firing wall tiles.
5. New product development as per market requirement.
6. Installation of UPS at entire kilns to provide uninterrupted power to avoid continuous running of Gas engine.

At Hoskote Plant:

1. Introduction of Paver 400x400 mm
2. Introduction of 15 MT capacity pendulum mill in place of 3 MT capacity pendulum mill to have energy saving.

At Dora Plant:

1. Installation of new squaring machine to reduce the squaring defects and fired losses.
2. To develop new products as per requirement of Market.
3. New loading point for truck loading for smooth loading of FG.

(b) **Benefit derived as a result of the above efforts:**

As a result of these efforts, cost reduction, improved yield, energy saving, and quality up gradation became possible.

(c) **Technology Imported: Nil**

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Foreign Exchange earned : ₹ 20.93 lakhs
2. Foreign Exchange outgo : ₹ 237.38 lakhs

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi	**Madhur Daga**	**P.M. Mathai**
Date: 17th June, 2020	Managing Director	Director

ANNEXURE – 3 TO BOARD'S REPORT

DISCLOSURES REQUIRED UNDER THE SEBI (EMPLOYEE STOCK OPTION SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME) GUIDELINES, 1999 AND COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014.

ORIENT BELL EMPLOYEES STOCK OPTION SCHEME, 2018

			Nature of Disclosure	Particulars
A.	Summary of Status of ESOS Granted :			
	(i)		**The description of the existing scheme is summarized as under :**	
	(a)		Date of shareholder's approval	16th April, 2018
	(b)		Total number of options approved	2,00,000
	(c)		Vesting requirements	The options granted under Scheme shall vest after the expiry of one year from the date of grant, as per vesting schedule as may be decided by the Committee subject to maximum period of five years.
	(d)		Exercise price or Pricing formula	The Exercise price of the Shares will be based on the Market Price of the Shares one day before the date of the meeting of the Committee wherein the grants of options will be approved. Since the shares of the Company are listed on more than one Stock Exchange, the price of the Stock Exchange where there is highest trading volume shall be considered as the market price. The Compensation Committee has a power to provide suitable discount or charge premium on such price as arrived above. However, in any case the Exercise Price shall not go below the face value of Equity Share of the Company.
	(e)		Maximum term of options granted	Three years from the date of each vesting.
	(f)		Source of shares	Primary
	(g)		Variation in term of options	None
	(ii)		**The movement of options during the year is as follows :**	
		(a)	Number of options outstanding at the beginning of the financial year -	1,71,000
		(b)	Number of options granted during the year	29,000*
		(c)	Number of options lapsed during the year	8,000*
		(d)	Number of options vested during the year	35,500
		(e)	Number of options exercised during the year	35,500
		(f)	Total number of shares arising as a result of exercise of options	35,500
		(g)	Money realized by exercise of options	3,55,000
		(h)	Loan repaid by the Trust during the year from exercise price received	N.A.
		(i)	Number of options outstanding at the end of the year	1,56,500
		(j)	Number of options exercisable at the end of the year	Nil

*Out of 8,000 ESOPs lapsed, 5,000 ESOPs were granted and lapsed during FY 2019-20. Hence, effectively 24,000 options were granted and 3,000 options were lapsed during F.Y. 2019-20.

B.	**Employee wise details of Options granted during the financial year 2019-20 under ESOS :**		
	i) Key Managerial Personnel	Nil	
	ii) Senior managerial personnel	Nil	
	iii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	i) Ajay Srivastava (Chief Human Resource Officer) - 12,000 ii) Aparup Amit Gupta (Vice President) - 12,000	
	iv) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None	
C.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (Ind-AS) 33 'Earnings Per Share'.	₹ 4.73	
D.	Method used to Account for ESOS	Employee Compensation cost has been calculated using fair value method under Black Scholes Option Pricing Model.	
	Difference between the employee compensation cost computed using the intrinsic value of the stock options and the employee compensation cost that shall have been recognized if the fair value of the options had been used and its impact on profits and on EPS of the Company.	N.A	
E.	(i) Weighted average exercise prices and weighted average fair values of options whose exercise price equals the market price of the stock.	N.A.	
	(ii) Weighted average exercise prices and weighted average fair values of options whose exercise price exceeds the market price of the stock.	N.A.	
	(iii) Weighted average exercise prices and weighted average fair values of options whose exercise price is less than the market price of the stock.	Weighted average exercise price per option: ₹ 10/-. Weighted average fair value per option: Options granted on 09.08.2019: ₹ 111.39 Options granted on 08.01.2020: ₹ 126.59	
F.	(i) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:	**Grant Date**	
		09.08.2019	**08.01.2020**
	(a) Risk-free interest rate	6.09%	6.31%
	(b) Expected life of options	2.50 years	2.50 years
	(c) Expected volatility	49.97%	47.58%
	(d) Expected Dividend yield	0.30%	0.30%
	(e) The price of the underlying share in market at the time of option grant	₹120.65	₹136.00
	(f) Exercise Price	₹10/- per option	₹10/- per option
	(ii) Method used to determine expected volatility	Expected volatility is based on the share price taken from NSE for the latest historical period as per time to maturity.	
	(iii) No other feature has been considered for fair valuation of options except as mentioned in Point F (i) above.		

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi
Date : 17th June, 2020

Madhur Daga
Managing Director

P.M. Mathai
Director

ANNEXURE – 4 TO BOARD'S REPORT

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

Part A: Subsidiaries

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

1.	Sl. No.	
2.	Name of the subsidiary	
3.	The date since when subsidiary was acquired	
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	
6.	Share capital	
7.	Reserves and surplus	N.A.
8.	Total assets	
9.	Total Liabilities	
10.	Investments	
11.	Turnover	
12.	Profit before taxation	
13.	Provision for taxation	
14.	Profit after taxation	
15.	Proposed Dividend	
16.	Extent of shareholding (in percentage)	

Notes: The following information shall be furnished at the end of the statement:
1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

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

Sl. No.	Particulars	Associates	
		Proton Granito Pvt. Ltd.	Corial Ceramic Pvt. Ltd.
1.	Latest audited Balance Sheet Date	31-03-2020	31-03-2020
2.	Date on which the Associate was associated or acquired	01-04-2015	03-08-2017
3.	Shares of Associate held by the company on the year end		
	- No. of shares	31,20,000	26,00,000
	- Amount of Investment in Associates (In ₹ Lakhs)	312	260
	- Extent of Holding (in percentage)	19.5%	26.0%
4.	Description of how there is significant influence	Control	Due to equity stake being more than 20%

5.	Reason why the associate is not consolidated	Being Consolidated	Being Consolidated
6.	Networth attributable to shareholding as per latest audited Balance Sheet (Amount in ₹ Lakhs)	2,143.53	1,076.58
7.	Profit or Loss for the year (after tax) (Amount in ₹ Lakhs) – as per consolidated financial statements	17.77	11.44
	i. Considered in Consolidation (₹ Lakhs)	17.77	11.44
	ii. Not Considered in Consolidation	--	--

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi
Date : 17th June, 2020

Madhur Daga
Managing Director

P.M. Mathai
Director

ANNEXURE – 5 TO BOARD'S REPORT

Information as per Section 134 and Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board's Report for the year ended 31st March, 2020.

The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the Financial Year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20 are as under:

Name	Title	Remuneration in fiscal 2020#	Remuneration in fiscal 2019#	No. of Stock Options/ RSUs granted in Fiscal 2020	% increase of remuneration in 2020 as compared to 2019	Ratio of Remuneration of each Director to median remuneration of employees for the FY 2019-20
Mr. Mahendra K. Daga	Chairman & Whole Time Director	168.87	204.25	Nil	(17.32)	46.73
Mr. Madhur Daga	Managing Director	97.76	117.97	Nil	(17.13)	27.05
Mr. K.M. Pai$	Non Independent – Non Executive Director	2.80	93.85	Nil	(97.02)	0.77
Mr. P.M. Mathai	Independent – Non Executive Director	3.70	5.40	Nil	(31.48)	1.02
Mr. Sameer Kamboj	Independent – Non Executive Director	2.90	4.80	Nil	(39.58)	0.80
Ms. Tanuja Joshi	Independent – Non Executive Director	2.70	4.20	Nil	(35.71)	0.75
Mr. Aditya Gupta@	Chief Executive Officer	252.11	228.99	Nil	10.10	--
Mr. Himanshu Jindal*	Chief Financial Officer	76.26	31.23	Nil	(19.72)	--
Mr. Yogesh Mendiratta	Company Secretary & Head-Legal	23.27	20.76	Nil	12.09	--

$ Mr. K.M. Pai had resigned from the post of Executive Director & CFO effective 01.06.2018 and since then he is serving the Company in the Capacity of Non Independent – Non Executive Director. Therefore, his remuneration for Fiscal 2019 includes the Salary, sitting fees and other benefits whereas his remuneration for fiscal 2020 includes sitting fees only.
# The remuneration of Independent Directors covers sitting fee only.
* Mr. Himanshu Jindal, CFO was appointed on 01.12.2018. The percentage decrease in his remuneration is therefore calculated on days basis. The Remuneration of Fiscal 2019 includes extraordinary item of ₹ 8.57 lakhs. The Remuneration of Fiscal 2020 includes ESOP perk of Rs. 4.91 lakhs.
@The Remuneration of Fiscal 2020 includes ESOP perk of ₹ 18.68 lakhs.

I. **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year:**

The median remuneration of employees of the Company during the Financial Year was Rs. 3.61 lakhs and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the above table.

II. **The percentage increase in the median remuneration of employees in the Financial Year:**

In the Financial Year 2019-20, there was an increase of 6.35% in the median remuneration of employees.

III. **The number of permanent employees on the rolls of Company:**

There were 843 permanent employees on the rolls of the Company as on 31st March, 2020.

IV. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentage increase made in the salaries of employees other than the managerial personnel in the Financial Year i.e. 2019-20 was 7% whereas there was no increase in the managerial remuneration for the Financial Year 2019-20.

V. **Affirmation that the remuneration is as per the remuneration policy of the company:**

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

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi
Date : 17th June, 2020

Madhur Daga
Managing Director

P.M. Mathai
Director

ANNEXURE – 6 TO BOARD'S REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31-03-2020
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members
Orient Bell Limited
8, Industrial Area,
Sikandrabad,
Distt. Bulandshahr, U.P.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Orient Bell Limited. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Orient Bell Limited (the Company) 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31-03-2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31-03-2020 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') as amended from time to time:
- (a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
- (c) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) SEBI (Share Based Employee Benefits) Regulations, 2014;
- (e) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (f) SEBI (Delisting of Equity Shares) Regulations, 2009;
- (g) SEBI (Buy-back of Securities) Regulations, 1998.

(vi) (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pertaining to Listed equity shares of the Company at NSE and BSE.

(vii) (i) There is no specific law, which is exclusively applicable to the Company, however the following general laws significant to the Company, were examined and audited for ensuring their compliance mechanism :-
- (a) The Factories Act, 1948;
- (b) The Environment (Protection) Act, 1986;

(c) The Air (Prevention & Control of Pollution) Act, 1981;

(d) The Water (Prevention & Control of Pollution) Act, 1974.

(ii) The Company voluntarily obtained BIS (Bureau of Indian standards) certification in respect of its manufactured product i.e. Pressed Ceramic tiles, conforming to IS 15622 : 2017 which was also examined.

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

I further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

I further report that during the year-

(i) During FY 2019-20, under the Company's Orient Bell Employees Stock Option Scheme, 2018 :

a. 29,000 ESOPs were granted;

b. 8,000 ESOPs were lapsed (Out of 8,000 ESOPs lapsed, 5,000 ESOPs were granted and lapsed during FY 2019-20);

c. 35,500 equity shares of ₹ 10/- each were allotted at an exercise price of ₹ 10/- per share.

(ii) During FY 2019-20, Mr. Mahendra K. Daga, Chairman & Whole Time Director and Mr. Madhur Daga, Managing Director have voluntarily forgone 30% of their Basic Salary + HRA effective 01.09.2020

for **VIVEK ARORA**
COMPANY SECRETARIES

CS VIVEK ARORA
(PROPRIETOR)
C.P. NO. 8255; ACS 12222

Place : New Delhi
Date : 17-06-2020
UDIN : A012222B000341298

Note:

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

Annexure 'A'

To,

The Members
Orient Bell Limited
CIN: L14101UP1977PLC021546

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

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices ,I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for VIVEK ARORA
COMPANY SECRETARIES

CS VIVEK ARORA
(PROPRIETOR)
C.P. NO. 8255; ACS 12222

Place : New Delhi
Date : 17-06-2020
UDIN : A012222B000341298

MANAGEMENT DISCUSSION AND ANALYSIS

As per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is provided as under:

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian Ceramics Industry remains largely fragmented with Morbi contributing ~65-70% of the total production. Bulk of the production is consumed locally (70-80%) while exports make up for the balance volumes.

Demand for real estate and thus for tiles remained benign for most part of the year under review. Construction activities got adversely impacted on account of various factors including tight liquidity conditions and, prolonged ban on construction activities in certain parts of the country during Q3FY20.The outbreak of COVID-19 pandemic at the beginning of Year 2020 followed by the unprecedented lockdown in the country too impacted last quarter revenues.

Exports of tiles however fared better in FY20 driven by opening of more markets and general acceptability of Indian origin goods versus those from the other competing Asian countries.

Pricing of certain products (primarily vitrified tiles) remained under pressure while there was no major respite on energy cost front impacting margins.

OUTLOOK

Domestic demand is expected to remain weak at least during the first quarter of FY21 considering the continued lockdown conditions across the country. Non-availability of migrant labour on construction sites is a concern and may impact project deliveries. Supply chains too have been impacted post COVID-19 restricting availability of materials needed for production of tiles in the short term.

With weak global demand, reluctance to import physical goods by countries amidst the uncertainty around COVID-19 and rise in geopolitical tensions, export growth may falter during the year. The imposition of the Anti-Dumping Duty (ADD) by Gulf Cooperation Council (GCC) on tiles sourced from India effective 1-June-2020 too may have an adverse impact on exports and local pricing conditions in the near term.

While the headwinds continue to persist, the measures announced by the government to combat the economic slowdown are laudable and may help in restoration of normalcy over time. The favourable demographics, lower interest rates, lower per capita consumption, renewed focus around sanitization and also the urge for "social distancing" should also augur well for the industry in the medium to long term.

RISKS AND CONCERNS

COVID-19 has emerged as the biggest risk to humanity and also to economic growth for FY21 – a vaccine or a cure to the virus holds the key in restoring normalcy.

To combat COVID-19, while a slew of measures have already been announced by the government, revival of demand in the short to medium term would depend on the successful and timely implementation of these reforms.

Apart from the uncertainty around COVID-19, increase in competitive intensity mainly from the unorganized sector (Morbi) amidst overcapacity in the sector, is another potential risk for the branded players in the industry. To counter this, your company has already made significant advancements over the last 2 years around product augmentation, improvement of cost base and also on brand promotion.

On the cost front, any increase in the cost of raw materials, particularly imported ones may increase the cost of production putting pressure on profitability.

Power & Fuel remains the biggest cost component for the ceramics industry. While the energy costs are expected to remain suppressed at least in the short term, any spike in crude or gas prices may impact margins adversely.

OPPORTUNITIES AND THREATS

The measures announced by the government with the thrust on infrastructural spending, smart cities and affordable housing could augment demand for Ceramic tiles.

Launch of affordable rental housing scheme for migrant workers and extension of credit linked subsidy scheme (CLSS) for housing to March 2021 could be positive for demand from urban/semi urban centers. Setting up of ₹ 1 lakh crore fund to boost farmgate infrastructure, additional refinancing support from NABARD, kisan credit cards and rural employment schemes etc. could help the rural households and improve their ability to spend on building products. Liquidity support of ₹ 75,000 crores to NBFC's and HFC's could help reduce liquidity stress for the financiers to the real estate sector, hence again positive for the tiles industry. Reforms in Defense, Civil Aviation, Power and Social Infrastructure could also spur private investments and thus help demand side.

Your company has continued to invest on various fronts over the years including augmentation of manufacturing facilities, new product development, digital tools (virtual showrooms) and brand awareness activities and thus should be able to capitalize on opportunities as and when these are available.

Due to COVID-19 pandemic, the revival of real estate and construction sector may take more time.The Gulf Cooperation Council's (GCC) imposition of anti-dumping duty of 42-106 per cent on Indian tile may impact exports and also pricing conditions in the local markets. Apart from these, the possibility of intense competition considering the presence of a large unorganized sector, depreciating Rupee against USD and volatility in gas prices could pose to be a few other challenges for the tiles industry.

DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statements have been prepared in compliance with the requirements of the Companies Act and the Accounting Standards issued by the Institute of Chartered Accountants of India.

1. **Sales** : The Company's Revenue from Operation (adjusted for Taxes) has been reduced to ₹ 49,056 lakhs in the year 2019-20 from ₹ 56,945 lakhs in the year 2018-19.

2. **Finance charges** : Finance charges for the year 2019-20 amounted to ₹ 809 lakhs as against the previous year of ₹ 871 lakhs.

3. **Depreciation** : The current year depreciation amounted to ₹ 2,059 lakhs as against ₹ 1,652 lakhs of previous year.

4. **Profit:**
   - (a) Profit before finance cost, depreciation, taxation and exceptional item amounted to ₹ 3,131 lakhs as against the previous year of ₹ 3,895 lakhs.
   - (b) Net Profit after tax for the year amounted to ₹ 683 lakhs as against the previous year of ₹ 890 lakhs.

5. **Net Working Capital:**

   Inventories decreased to ₹ 8,060 lakhs from ₹ 8,546 lakhs in the previous year.

   Sundry Debtors reduced to ₹ 8,693 lakhs as against ₹ 11,621 lakhs of previous year.

   Short term Loans, Advances and other Current Assets increased to ₹ 829 lakhs from ₹ 641 lakhs in the previous year.

   Current liabilities and provisions: The amount of ₹ 8,752 lakhs include lease liability, creditors for suppliers of raw materials, stores and spares, provisions for expenses and taxes, dividend and tax payable thereon, liabilities for gratuity and leave encashment.

6. **Borrowed funds** : As on 31.03.2020, the total borrowings of the Company was ₹ 5,116 lakhs as against ₹ 10,098 lakhs in the previous year.

HUMAN RESOURCE / INDUSTRIAL RELATIONS

The strategic purpose of Human Resources is to be a catalyst for creating the Human Capital transformation required to ensure sustained business out performance, while simultaneously addressing the needs of its multiple stakeholders (beginning with customers and employees) and strengthening the core values of the Group. To have a focused approach on Human Resources vertical, your company has on boarded Chief Human Resource Officer (CHRO) during the last financial year.

The emphasis has been on identifying various new positions under the Sales function to strengthen the overall structure and to improve market penetration. Quality hiring and recruitments based on competencies and retaining the talents has been the key focus during the year. The Company's reward and recognition programs for Sales Team has also been put in place to boost morale.

The CXO's face time with the Company's Channel Partners as well as with Staff has increased significantly. The Managing Director has had many townhall meetings to encourage a culture that fosters openness & transparency.

The year under review witnessed a very positive Industrial Relations scenario across all manufacturing locations. During the year under review, the Company has entered into Wage Settlement with permanent workers at its plant at Dora (Gujarat) amicably. The industrial relations remained cordial.

As at 31-03-2020, the Company had 843 permanent employees on its rolls.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

There was no material change in most of the Key Financial Ratios for the year under review except interest coverage, debt equity ratio and net profit margin. Profitability was impacted due to lower topline despite concerted efforts on cost front. This led to lower interest coverage ratio and also lower net profit margin for the year. The company was able to reduce leverage due to better working capital management during the year. Debt to Equity hence improved to 0.3 versus 0.5 in FY 2019.

RETURN ON NET WORTH

Return on net worth was impacted due to lower profitability.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion & Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. These statements being based on certain assumptions and expectation of future event actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting domestic demand supply conditions, finished goods prices, changes in Government Regulations and Tax regime, etc. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi	**Madhur Daga**	**P.M. Mathai**
Date: 17th June, 2020	Managing Director	Director

CORPORATE GOVERNANCE REPORT

Orient Bell Limited's (OBL) Philosophy on Corporate Governance:

Corporate Governance, Transparency and Core Values have been an integral part of your Company's business since inception, which have contributed to its consistent growth over the years. Your Company strongly believes that transparency, professionalism and accountability are the key enablers to create value for all players i.e. the Stakeholders, the Creditors, the Government and the Employees and also to attract & retain financial & human capital and meeting societal aspirations.

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given herein below:

Board of Directors

I. Composition of Board

OBL's Board has a very pivotal role in the Company's operations and in ensuring that the Company should run on sound and ethical business practices and that its resources are utilized for creating sustainable and healthy growth.

The Board comprises of 6 (Six) Directors out of which 2 (Two) are Executive Directors (one Executive Chairman & Whole Time Director and other one is Managing Director respectively) and 3 (Three) Independent & Non-Executive Directors including one woman director and 1 (One) Non-Independent & Non-Executive Director. The size and composition of the Board conforms to the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Composition of Directors and their other Directorships/Committee Memberships in other Companies are as follows:

Sl. No.	Name of Director	Category	Directorship in other companies*	Committee chairmanship **	Committee membership **
1.	Mr. Mahendra K. Daga	P-E-C-WTD	1	None	None
2.	Mr. Madhur Daga	P-E-MD	None	None	None
3.	Mr. K. M. Pai	NI- NED	1	1	1
4.	Mr. Sameer Kamboj	I-NED	None	None	None
5.	Mr. P. M. Mathai	I-NED	None	None	None
6.	Ms. Tanuja Joshi	I-NED	None	None	None

P-E-C-WTD Promoter & Executive Chairman and Whole Time Director

P-E-MD Promoter & Executive Managing Director

NI-NED Non-Independent Non-Executive Director

I-NED Independent Non-Executive Director

* Excludes the directorship held in private limited companies, foreign companies and companies incorporated under Section 8 of the Companies Act,2013. Mr. Mahendra K. Daga is a director in unlisted Company and Mr. K.M. Pai is an Independent Director in a listed company namely M/s VST Tillers Tractors Limited.

** The membership / chairmanship in Audit Committee and Stakeholders Relationship and Grievance Committee in all other public limited companies has been considered.

II. Attendance of Directors at the Board Meetings held during the financial year 2019-2020 and at the last Annual General Meeting (AGM)

The attendance record of each Director at the Board Meetings held during the year 2019-2020 and at the last Annual General Meeting is as follows:

Sl. No.	Name of Director	No. of meetings		Whether attended last AGM
		Held	Attended	
1.	Mr. Mahendra K. Daga	4	4	Yes
2.	Mr. Madhur Daga	4	4	Yes
3.	Mr. Sameer Kamboj	4	3	Yes
4.	Mr. K. M. Pai	4	4	Yes
5.	Mr. P. M. Mathai	4	4	Yes
6.	Ms. Tanuja Joshi	4	4	Yes

III. Meetings of the Board of Directors

Four Board Meetings were held during the financial year 2019-20 on 22nd May 2019, 24th July 2019, 11th November 2019 and 30th January 2020 respectively. The maximum time gap between any two meetings was 109 days and the minimum time gap was 62 days. The necessary quorum was present at all the meetings. The agenda papers were circulated well in advance of each meeting of the Board of Directors.

IV. Disclosure of relationships between directors inter-se

None of the Directors is/are in any way related except Mr. Mahendra K. Daga and Mr. Madhur Daga (who is son of Mr. Mahendra K. Daga).

V. Details of shareholding of Non-Executive Directors as on 31st March 2020

Name of Non-Executive Director	No. of shares held
Mr. P. M. Mathai	Nil
Ms. Tanuja Joshi	Nil
Mr. Sameer Kamboj	Nil
Mr. K. M. Pai	2,000

VI. Web link for details of familiarization programs imparted to Independent Directors

The details of familiarization programs imparted to Independent Directors are available on Company's website viz. https://www.orientbell.com.

VII. Separate Meeting for Independent Directors

The Independent Directors of the Company met once in a financial year without the presence of Executive Directors and Management Personnel. Such Meeting reviews the performance of Non-Independent Directors and the Board as a whole, reviews the performance of Chairman of the Board, access the quality, quantity and timeliness of the flow of information between management and the Board that is necessary to effectively and reasonably perform its duties. A meeting of Independent Directors was held on 18th March, 2020 during FY 2019-20.

VIII. Detail of skills/ expertise/ competence of the Board of Directors

The Board of Directors has identified certain parameters in the context of Company's business to measure the skills, expertise and competence of the Directors. These parameters include:

(i) Positive attitude

(ii) Attention or concern for shareholder's interest

(iii) Promptness

(iv) Contribution in improving financial and other functions of the Company

(v) Inputs on inclusion of matters to be discussed at Board Meetings to improvise the operating procedures

(vi) Understanding of laws having impact on Company's business and Tile industry as a whole

(vii) Clear sense of values and integrity

(viii) Implementation of policies and procedures as set out by the Board

(ix) Efforts in promoting and expanding the business

(x) Brand Building and establishing a respectable place in the market

(xi) Controlling of various functions across the Company and ensuring their proper functioning

(xii) Ensuring smooth business operations across all the units of Company.

The Board of Orient Bell Limited is a diversified board. The Directors holds adequate qualification and experience and possess specialisation in their respective fields. Each of the Director is skilled, expert and competent in the area of his/her specialization and provides considerable contribution and support in operations of your Company.

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

X. No Independent Director has resigned during the financial year 2019-20.

COMMITTEES OF THE BOARD

(i) Audit Committee

Audit Committee of the Board is entrusted with the powers and the role that are in accordance with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013.The terms of reference of the Audit Committee, inter alia, include overseeing financial reporting processes, reviewing periodic financial results, reviewing with the management the financial statements and adequacy of internal control systems, reviewing the adequacy of internal control function, discussions with the Internal and Statutory Auditors about the scope of audit including the observations of Auditors and discussion with them on any significant findings.

All the members of Audit Committee are financially literate.As at 31st March, 2020, Mr. Sameer Kamboj, Independent Director, a qualified Chartered Accountant and an expert in the fields of Finance, General Management and business processes, is the Chairman of the Audit Committee with Mr. P.M. Mathai, and Mr. K. M. Pai as its members. The Company Secretary acts as the Secretary of the Committee.

During the financial year ended on 31st March 2020, four Audit Committee Meetings were held on 22nd May 2019, 24th July 2019,11th November 2019 and 30th January 2020 respectively. The maximum time gap between any two meetings was 109 days. The summary of attendance is as under:

Sl. No.	Name of Director	Category	No. of meetings	
			Held	Attended
1.	Mr. Sameer Kamboj	Independent, Non-Executive	4	3
2.	Mr. P. M. Mathai	Independent, Non-Executive	4	4
3.	Mr. K. M. Pai	Non-Independent, Non-Executive	4	4

(ii) Nomination and Remuneration Committee

The composition of the Committee as at 31st March, 2020 was Mr. P.M. Mathai as Chairman and Mr. K M Pai and Ms. Tanuja Joshi as its members. Mr. P.M. Mathai and Ms. Tanuja Joshi are the independent directors and Mr. K M Pai as Non-Independent, Non-Executive director. The Company Secretary acts as the Secretary of the committee.

During the year under review two meetings of members of Nomination and Remuneration Committee were held on 22nd May 2019 and 27th August 2019 respectively. The summary of attendance is asunder:

Sl. No.	Name of Director	No. of meetings	
		Held	Attended
1.	Mr. P.M. Mathai	2	2
2.	Ms. Tanuja Joshi	2	2
3.	Mr. K. M. Pai	2	1

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors.

The role includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management Personnel; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board's diversity; and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The performance evaluation of Independent Directors is carried out on the basis of criteria, in the form of parameters, set up by the Board of Directors. These parameters include Positive attitude and promptness, Contribution in improving financial and other functions of the Company, Inputs on inclusion of matters to be discussed at Board Meetings to improvise the operating procedures, Understanding of laws having impact on Company's business and Tile industry as a whole and Clear sense of values and integrity.

Remuneration of Directors

In accordance with the principles of transparency and consistency, the Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management. The Policy is available on the website of the Company at https://www.orientbell.com.

The elements of remuneration package of Executive Directors include salary, perquisites, provident fund, etc. and is decided based on the individual performance, inflation, prevailing industry trends and benchmarks. The Non-Executive Directors are paid remuneration in the form of sitting fees.

The detail of remuneration paid to the Directors during the financial year 2019-20 is as follows:

(Amount in ₹)

Name of the Director	Salary + HRA	Provident fund	NPS	Perquisites	Commission	Sitting fee	Total
Mr. Mahendra K. Daga	1,66,79,520	21,600	-	1,85,509	-	-	1,68,86,629
Mr. Madhur Daga	89,10,000	21,600	5,94,000	2,50,223	-	-	97,75,823
Mr. K. M. Pai	-	-	-	-	-	2,80,000	2,80,000
Mr. P. M. Mathai	-	-	-	-	-	3,70,000	3,70,000
Ms. Tanuja Joshi	-	-	-	-	-	2,70,000	2,70,000
Mr. Sameer Kamboj	-	-	-	-	-	2,90,000	2,90,000

(iii) Stakeholders Relationship and Grievance Committee

As at 31st March, 2020, the Stakeholders Relationship and Grievance Committee comprises of Ms. Tanuja Joshi as its Chairman and Mr. K. M. Pai and Mr. Madhur Daga as its other two members. Mr. Yogesh Mendiratta, Company Secretary acts as the Compliance Officer and Secretary of the Committee.

The Committee is entrusted with the powers to approve the share transfers, issue of duplicate share certificates, issue of new share certificates upon consolidation of shares, split of shares and also to resolve the grievances of members including complaints relating to transfer of shares, non receipt of balance sheet, non receipt of declared dividends etc.

During the year ended 31st March 2020, only one Committee Meeting was held on 23rd December 2019. The summary of attendance is as under:

Sl. No.	Name of Director	No. of meetings	
		Held	Attended
1.	Ms. Tanuja Joshi	1	1
2.	Mr. K.M. Pai	1	1
3.	Mr. Madhur Daga	1	1

To expedite the process of share transfers, the Board has delegated the power of share transfers to Company Secretary and to M/s MCS Share Transfer Agent Ltd. Registrar and Share Transfer Agents, who attend to the share transfers, promptly.

No complaint was pending at the beginning of the financial year i.e. on 01st April 2019. During FY 2019-20, the Company has received 1(One) complaint from a member which was resolved and no complaint is pending for disposal as at 31st March, 2020.

(iv) Finance and Borrowing Committee

The Finance and Borrowing Committee of the Board has been delegated with the powers to manage the banking operations, to open/close bank accounts, decide on the operational limits/ matrix of the authorised signatories in addition to borrow secured/unsecured funds, otherwise than by way of debentures from potential lenders to meet out the funding needs of the Company as may be arising from time to time.

The Committee comprise of three Directors viz. Mr. Mahendra K. Daga as Chairman, Mr. Madhur Daga and Mr. Sameer Kamboj as its members. The Company Secretary acts as the Secretary of the Committee.

During the year under review no meeting of members of 'Finance and Borrowing Committee' was held.

(v) Compensation Committee

The Company has Compensation Committee of the Board of Directors for the purpose of finalizing, administering, and supervising the matters applicable to grant, vest and exercise of options under the Employees Stock Option Scheme and the matters prescribed under the SEBI Guidelines. The Committee comprise of the following Directors:

a. Mr. P.M. Mathai, Independent - Non Executive [Chairman]
b. Mr. Mahendra K. Daga, Promoter - Executive [Member]
c. Ms. Tanuja Joshi, Independent - Non Executive [Member]
d. Mr. Sameer Kamboj, Independent - Non Executive [Member]

During the year under review three meetings of Compensation Committee were held on 27th April 2019, 09th August 2019 and 08th January 2020 respectively. The summary of attendance is as under:

Sl. No.	Name of Director	No. of meetings	
		Held	Attended
1.	Mr. P.M. Mathai	3	3
2.	Mr. Mahendra K. Daga	3	0
3.	Ms. Tanuja Joshi@	3	2
4.	Mr. Sameer Kamboj	3	3

@ Ms. Tanuja Joshi was appointed as a member of Compensation Committee on 22.05.2019. During FY 2019-20 she has attended two meetings on 09.08.2019 and 08.01.2020 respectively.

(vi) Corporate Social Responsibility Committee

The composition of the Committee as at 31st March, 2020 was as under:

(i) Mr. Madhur Daga, Promoter-Executive - Chairman
(ii) Ms. Tanuja Joshi, Independent-Non Executive - Member
(iii) Mr. Sameer Kamboj, Independent-Non Executive - Member

The Corporate Social Responsibility ("CSR") Committee is constituted by the Board of Directors with powers, inter alia, to make donations/contributions to any Charitable and/or CSR projects or programs to be implemented directly or through an executing agency or other Not for Profit Agency with minimum three years proven track record of at least two percent of the Company's average net profits during the three immediately preceding Financial Years in pursuance of its CSR Policy for the Company's CSR Initiatives.

The Committee is authorized to formulate and recommend to the Board the amount to be spent on CSR activities as enumerated in the Company's CSR policy and Schedule VII of the Companies Act, 2013 as amended from time to time as also to monitor the CSR Policy from time to time etc.

The CSR Policy of your Company is available on the Company's website: https://www.orientbell.com.

The Committee met once during FY 2019-20 on 22.05.2019. The summary of attendance is as under:

Sl. No.	Name of Director	No. of meetings	
		Held	Attended
1.	Mr. Madhur Daga	1	1
2.	Ms. Tanjua Joshi	1	1
3.	Mr. Sameer Kamboj	1	1

General Body Meetings

Detail of last three Annual General Meetings:

Year	Location	Day and Date	Time	Special resolutions
2016-17	Registered Office at 8, Industrial Area, Sikandrabad-203 205, Distt. Bulandshahr (U.P.)	Friday, 22nd Sept., 2017	11.30 a.m.	I. Modification to the terms of appointment (change in designation) of Mr. Madhur Daga. II. Re-appointment & remuneration of Mr. Mahendra K. Daga as Chairman and Managing Director of the Company for a further period from 1st April, 2018 to 31st March, 2021, liable to retire by rotation.
2017-18	-do-	Monday, 24th Sept., 2018	11.30 a.m.	I. Change in designation of Mr. Mahendra K. Daga from Chairman & Managing Director to Chairman & Whole Time Director w.e.f. 01st October, 2018. II. Re-appointment and remuneration of Mr. Madhur Daga, Managing Director from 01st April, 2019 to 31st March, 2022, liable to retire by rotation.
2018-19	-do-	Wednesday, 24th July, 2019	11.30 a.m.	I. Re-appointment of Mr. P. M. Mathai (DIN: 05249199), Independent Director of the Company not liable to retire by rotation for the further period of 5 (five years) with effect from 30.09.2019 to 29.09.2024

All the above mentioned special resolutions were passed unanimously and no resolution was put through postal ballot.

Postal ballot

During the year ended 31st March, 2020, no resolution was passed through postal ballot. No resolution whether Special/ Ordinary Resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting.

Means of communication

The Company recognizes the importance of two way communication with shareholders and of giving a balanced reporting of results and progress. Full and timely disclosure of information regarding the Company's financial position and performance is an important part of your Company's corporate governance ethos. Your Company follows a robust process of communicating with its stakeholders, security holders and investors through multiple channels of communications such as dissemination of information on the website of the Stock Exchanges, Press Releases, the Annual Reports and uploading relevant information on its website.

The quarterly, half-yearly and annual financial results of the Company are submitted with Bombay Stock Exchange and National Stock Exchange where the equity shares of the Company are listed, and the same are published in leading newspapers viz. Financial Express (English) and Jansatta (Hindi) in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The results are also posted on Company's website viz. https://www.orientbell.com. The website of the Company also displays the information of the Company's products, dealers, availability among others. Presentations if made to the institutional investors and analysts, are also disseminated on the website of the Company.

The Company also dedicated an e-mail ID exclusively for redressal of investor complaints in compliance of Regulation 46 (2) (j) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 namely investor@orientbell.com which is also displayed on the Company's website viz. https://www.orientbell.com.

Shareholding pattern as at 31st March 2020

Category	No. of shares	% of total shares
Promoter and promoter group	88,08,051	61.66
Public - Bodies corporate	7,59,834	5.32
Public – other than Bodies Corporate	44,45,225	31.12
Public - NRIs/OCBs	2,70,966	1.90
Total	**1,42,84,076**	**100.00**

General Shareholder Information

Annual General Meeting

Date, Time and Venue of the 43rd Annual General Meeting	13th August, 2020 at 11:00 a.m. through Video Conferencing / OAVM deemed to be held at 8, Industrial Area, Sikandrabad-203 205, Distt. Bulandshahr (U.P.)
Book Closure Dates	07th August, 2020 to 13th August, 2020
Dividend Payment Dates	No dividend has been proposed by the Board of Directors for the financial year 2019-20.
Financial Year	1st April to 31st March

Financial reporting for financial year 2020-21 is as follows:

Un-audited financial results for the quarter ended 30.06.2020	Will be announced within 45 days of the end of the quarter.*
Un-audited financial results for the quarter ended 30.09.2020	Will be announced within 45 days of the end of the quarter.*
Un-audited financial results for the quarter ended 31.12.2020	Will be announced within 45 days of the end of the quarter.*
Fourth/last quarter financial results	Audited financial results will be announced within 60 days of the end of the financial year.*

*The reporting date may change according to the time limit allowed by law.

Listing

Presently, the Equity Shares of the Company are listed on the following Stock Exchanges:

NAME OF STOCK EXCHANGE	STOCK CODE
BSE Ltd. (BSE) 25th Floor, PJ Towers, Dalal Street, Mumbai – 400001	530365
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051.	ORIENTBELL

The Company has paid the requisite Annual Listing Fee to BSE and NSE for the financial year 2019–20 within stipulated time.

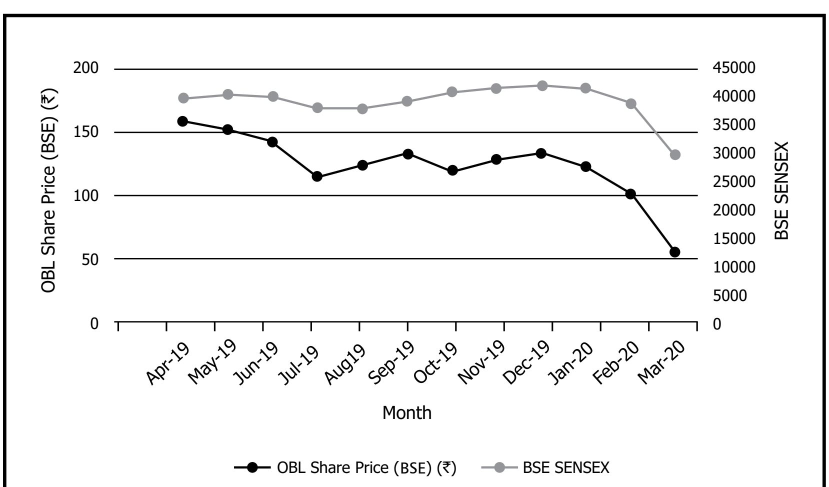
Market price data

The monthly high and low price of shares traded on the BSE Ltd and the National Stock Exchange of India Ltd are as follows:

Month	BSE Limited				BSE Sensex Month Close	National Stock Exchange of India Limited			
	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares Traded		High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares Traded
Apr-19	189.40	153.35	155.20	23,138	39031.55	187.80	152.25	155.00	2,36,118
May-19	172.00	135.15	149.90	44,048	39714.20	171.65	136.00	151.10	3,94,708
Jun-19	153.80	121.05	139.65	17,592	39,394.64	154.90	120.55	137.30	1,72,452
Jul-19	145.00	112.10	113.70	26,984	37,481.12	149.85	111.30	113.45	2,02,132
Aug-19	135.70	110.00	121.70	21,911	37,332.79	137.95	110.00	123.00	1,77,777
Sep-19	151.55	120.00	131.30	24,389	38,667.33	155.00	121.20	129.50	2,47,525
Oct-19	139.00	112.00	118.50	19,264	40,129.05	139.90	113.30	119.30	1,84,039
Nov-19	142.00	115.95	126.90	55,591	40,793.81	142.00	116.00	127.95	7,14,556
Dec-19	134.90	124.95	131.80	21,732	41,253.74	136.90	124.05	133.05	2,38,447
Jan-20	149.80	120.15	121.35	1,05,464	40,723.49	150.00	117.95	121.60	13,34,403
Feb-20	124.30	100.20	101.05	16,711	38,297.29	124.50	101.00	101.35	2,31,852
Mar-20	112.40	52.75	55.55	43,973	29,468.49	107.95	48.75	54.35	3,44,119

Stock price performance

The performance of Company's Equity Shares during F.Y. 2019-20 in comparison to BSE's Sensitive Index was as follows:



In case, the securities are suspended from trading, reason thereof:

Not applicable, since the securities of the Company have not been suspended from trading.

Registrar and Share Transfer Agent

M/s. MCS Share Transfer Agent Ltd.
F-65, Okhla Industrial Area, Phase-I
New Delhi-110 020
Phone No. : (011) 41406149
Fax No. : (011) 41709881
E-mail : admin@mcsregistrars.com

Share transfer system

Trading in equity shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form. Shares sent for transfer in physical form are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of share transfers, the Stakeholders Relationship and Grievance Committee / its delegated authority meets as often as required.

Distribution of shareholding as at 31st March 2020

No. of Shares	Total members	%Total members	Total shares	% Total shares
Up to 500	11,649	90.99	9,29,418	6.51
501 to 1,000	528	4.12	4,03,107	2.82
1,001 to 2,000	279	2.18	4,04,694	2.83
2,001 to 3,000	102	0.80	2,49,237	1.74
3,001 to 4,000	41	0.32	1,46,216	1.02
4,001 to 5,000	41	0.32	1,92,301	1.35
5,001 to 10,000	74	0.58	5,36,551	3.76
10,001 to 50,000	69	0.54	14,78,853	10.35
50,001 to 1,00,000	9	0.07	6,56,658	4.60
1,00,001 and above	10	0.08	92,87,041	65.02
Total	**12,802**	**100.00**	**1,42,84,076**	**100.00**

Dematerialisation of shares and liquidity

The Equity Shares of the Company are in compulsory DEMAT mode. In order to enable the members to hold their shares in electronic form and to facilitate scriptless trading, the Company has enlisted its shares with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Status of dematerialisation as at 31st March 2020

Electronic holdings			Physical holdings			Total		
No.of folios	No.of shares	%	No.of folios	No.of shares	%	No.of folios	No.of shares	%
11,312	1,40,31,293	98.23	1,490	2,52,783	1.77	12,802	1,42,84,076	100.00

The Company is making efforts to increase the dematerialisation of shares.

ISIN number allotted by NSDL and CDSL: INE607D01018

CIN : L14101UP1977PLC021546

Outstanding GDRs/ADRs/Warrants

There are no Global Depository Receipts (GDRs)/American Depository Receipts (ADRs) or any convertible instrument pending for conversion.

Commodity price risk or foreign exchange risk and hedging activities

During F.Y. 2019-20 the Company had managed the foreign exchange risk involving foreign currency though it was not a significant amount. The details of foreign currency exposure are disclosed in note nos. 38 and 44 to the Annual Accounts.

Registered Office:

8, Industrial Area
Sikandrabad-203 205
Distt. Bulandshahr (U.P.)

Corporate office:

Iris House
16, Business Centre
Nangal Raya
New Delhi-110 046
Phone :(011) 47119100
E-mail: investor@orientbell.com
Website: www.orientbell.com

Address for correspondence:

Shareholder Services
Orient Bell Limited
Iris House, 16, Business Centre
Nangal Raya, New Delhi-110 046
Phone: (011) 47119100
E-mail: investor@orientbell.com
Website: www.orientbell.com

Plants:

(i) Industrial Area
Sikandrabad-203 205
Distt. Bulandshahr (U.P.)

(ii) Village Dora, Taluka Amod
Dist. Bharuch – 392 230
Gujarat

(iii) Village Chokkahalli
Taluka Hoskote
Bengaluru (Rural) - 562 114
Karnataka

Credit Rating

The Company has obtained the Credit Ratings for its long term and short term debt by CRISIL Limited as under:

Long Term – CRISIL A-/Negative

Short Term – CRISIL A2+

Disclosures

(i) The Company does not have any material related party transactions that may have potential conflict with the interests of the Company at large. The details of related party information and transactions are placed before the Audit Committee from time to time. The disclosures regarding the transactions with the related parties are disclosed in note no. 40 forming part of the Accounts. The Company has formulated a Related Party Transactions Policy which specifies the manner of entering into related party transactions. This policy has been posted on the website of the Company at https://www.orientbell.com.

(ii) The Company has complied with all the guidelines provided by Stock Exchanges and SEBI or any other statutory authority and no penalties or strictures were imposed on the Company on any matter relating to the capital markets, during the last three years.

(iii) As mandated under Section 177 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated and adopted a Vigil Mechanism cum Whistle Blower Policy. Under the said policy, any communication that discloses or demonstrates information that may evidence unethical or improper activity shall be addressed to the Chairman of the Audit Committee. A copy of the same may also be addressed to the CEO of the Company. No personnel has been denied access to the audit committee. The Vigil Mechanism cum Whistle Blower Policy is available on the website of the Company at https://www.orientbell.com.

(iv) The Company is complying with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted the following discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: The internal auditor of the Company reports directly to the Audit Committee.

(v) The Company has formulated a Policy for determining 'material' subsidiaries as defined under Regulation16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy has been posted on the website of the Company at https://www.orientbell.com.

(vi) There was no preferential allotment or qualified institutional placement during FY 2019-20 as specified under Regulation 32(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vii) None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the SEBI / Ministry of Corporate Affairs or any such Statutory Authority. A Certificate in this regard issued by Ashu Gupta & Co., Company Secretaries ***is appended hereto as Annexure A.***

(viii) The Board has always accepted all the recommendations of all the Committees during FY 2019-20.

(ix) The total fee paid to the Statutory Auditors during FY 2019-20 was ₹ 28.43 lakhs.

(x) During the year under review, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the status of complaints filed, disposed and pending is as under:

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

(xi) The Company has complied with -

a. All the requirements of corporate governance report as mentioned in sub paras (2) to (10) of Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. All the mandatory requirements specified in Regulations 17 to 27 and clauses(b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Subsidiary companies

The Company has no subsidiary.

Code of Conduct

The Board has adopted a Code of Conduct for the Board Members and Senior Management of the Company. The same has also been posted on the website of the Company. All Board Members and Senior Management personnel have affirmed their compliance with the code. A declaration signed by the Chief Executive Officer is given below:

"I, Aditya Gupta, Chief Executive Officer of Orient Bell Limited, do hereby confirm that all the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel in respect of the financial year ended on 31st March, 2020."

Place : New Delhi
Date : 09.06.2020

Aditya Gupta
Chief Executive Officer

Auditors' Certificate on Corporate Governance

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors' certificate ***is appended hereto as Annexure-B***.

Compliance Certificate issued by Chief Executive Officer and Chief Financial Officer

The Chief Executive Officer and Chief Financial Officer have furnished a Compliance Certificate to the Board of Directors under Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

Disclosures with respect to Demat suspense account / unclaimed suspense account

<table>
<tr><th colspan="2">Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 01.04.2019</th><th rowspan="2">Number of shareholders who approached the Company for transfer of shares from suspense account during the year</th><th rowspan="2">Number of shareholders to whom shares were transferred from suspense account during the year</th><th colspan="2">Aggregate number of shareholders and the outstanding shares in the suspense account lying on 31.03.2020</th></tr>
<tr><th>Shareholders</th><th>No. of Shares</th><th>Shareholders</th><th>No. of Shares</th></tr>
<tr><td>106</td><td>22,902</td><td>NIL</td><td>NIL</td><td>106</td><td>22,902</td></tr>
</table>

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi
Date : 17th June, 2020

Madhur Daga
Managing Director

P.M. Mathai
Director

Annexure 'A'

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Orient Bell Limited
8, Industrial Area, Sikandrabad
Distt.- Bulandshahr, UP-203 205

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Orient Bell Limited having CIN L14101UP1977PLC021546 and having registered office at 8, Industrial Area, Sikandrabad, Distt- Bulandshahr, UP-203205 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Sh. Mahendra Kumar Daga	00062503	09/12/1993
2.	Sh. Madhur Daga	00062149	01/01/1998
3.	Sh. Sameer Kamboj	01033071	27/07/2016
4.	Sh. Kashinath Martu Pai	01171860	01/06/2018
5.	Ms. Tanuja Joshi	02065607	03/11/2014
6.	Sh. Puthuparambil Mathai Mathai	05249199	23/04/2012

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

Ashu Gupta
Membership No.: 4123
CP No.: 6646

Place : New Delhi
Date : 10.06.2020

UDIN: F004123B000331001

Annexure 'B'

AUDITOR CERTIFICATE

To

The Members of **ORIENT BELL LIMITED**

1. We, B.R. Gupta & Co., Chartered Accountants, the Statutory Auditors of **ORIENT BELL LIMITED** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

MANAGEMENT'S RESPONSIBILITY

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

AUDITORS' RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring 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.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of 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 (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31st March 2020.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **B.R. Gupta & Co.**
Chartered Accountants

Firm's Registration Number: 008352N

Deepak Agarwal
Partner
(FCA-073696)
UDIN: 20073696AAAABD5151

Date : 17th June, 2020
Place: New Delhi

Independent Auditor's Report

To the Members of ORIENT BELL LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Orient Bell Limited** ("the Company"), which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and 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 (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the Profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

S.No.	Key Audit Matters	How our audit addressed the key audit matter
1	**Accounting for Customer Schemes, discounts and other trade promotional expenditure** (Refer to the accompanying Note 23 forming integral part of the standalone financial statements) In line with normal industry practice and overall objective of increase in the revenue, the Company has varied incentive programs and discount policies in place. These include volume based rebates and schemes and trade spend commitments which are driven by customers achieving sales volume targets agreed with the Company over a pre-determined period. These rebates and schemes on sales are accounted for as a deduction from revenue and recognized in the period to which it relates in accordance with the customer agreement. This area was significant to our audit because: - those areas are subject to judgmental estimates and assessments that are material; and - these expenses vary with regards to the nature and timing of the activity to which it relates Our focus was on assessing the accuracy of the expense charged, whether the amount recognized were recorded in the appropriate period and the completeness of the expense.	Our audit work in respect of accounting for customer schemes, discounts and other trade promotional expenditure comprised a combination of substantive testing, control testing and an assessment of the Company's disclosures in this regard. The audit procedures include the following steps: a) **Substantive testing:** - Tested a sample of underlying agreements to obtain evidence in support of amount and timing of recognition of both customer rebates & other promotional expenditure. This involved evaluating whether the amount &timing of recognition was consistent with the contractual arrangements. - Critically assessed the judgements taken by the Company in estimating year end accruals for amounts owing to customers. This included retrospective analysis/tests to assess the accuracy of the accruals in previous years, alongside the use of key assumptions of rebate/ discount terms and in the case of volume rebates, the level of sales likely to occur in the period under audit, with reference to historic events. - Held discussions with the sales teams to understand the complexities, if any of these agreements and any unusual trends in the year. - Tested post-year end credit notes issued and debit notes received, where applicable, to determine whether specific promotions were appropriately provided for as at the reporting date at the appropriate amount.

		b) **Controls testing:** Wherever appropriate, our substantive work was supplemented by controls testing work which encompassed understanding, evaluating and testing key controls in respect of the approval of customer rebates, discounts and other trade promotional expenditure. Our procedures as mentioned above did not identify any findings that are significant for the financial statements as whole in respect of accounting for customer schemes, discounts and other trade promotional expenditure.
2	**Accounting, presentation and disclosure of Leases as per Ind AS 116: Leases** (Refer to the accompanying Note 3(a)(vi) and Note 35 forming integral part of the standalone financial statements) The Company has adopted the Ind AS 116-"Leases" effective from April 1, 2019. The application and transition to this accounting standard is complex and is an area of focus in our audit since the Company has a large number of leases with different contractual terms. Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize in the balance sheet a right-of-use (ROU) asset and a lease liability arising from a lease. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of such transition.	Our procedure in relation to appropriateness of judgements, accounting, presentation and disclosure of leases on adoption of Ind AS 116 include: a) **Substantive testing:** • Assessed the Company's evaluation on the identification of leases based on its contractual agreement with the lessor(s); • Evaluated the reasonableness of the discount rates applied in determining the lease liabilities; • Upon transition as at 1 April 2019: - Evaluated the method of transition and related adjustments; - Tested completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing ROU asset and the lease liabilities. • On a statistical sample, we performed the following procedures: - assessed the key terms and conditions of each lease with the underlying lease contracts; and - evaluated computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term. • Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition. b) **Controls testing:** Wherever appropriate, our substantive work was supplemented by controls testing work which encompassed understanding, evaluating and testing key controls in respect of lease agreements including its terms and conditions. Our procedures as mentioned above did not identify any findings that are significant for the financial statements as whole in respect of accounting, presentation and disclosure of Leases on adoption of Ind AS 116.
3.	**Judgment in valuation of deferred income tax positions** (Refer to the accompanying Note 19 forming integral part of the standalone financial statements) The Company's deferred income tax assets are netted with deferred income tax liabilities as at March 31, 2020. Under Ind AS, the Company is required to annually determine the valuation of deferred tax positions. This area was significant to our audit because of the subjectivity of the components forming part of deferred income tax assets/liabilities including assumptions that are affected by expected future market or economic conditions and the estimates/actual position which effects the reversal of deferred taxes.	Our procedure in relation to the appropriateness of judgements in valuation and accounting of deferred income tax include: a) **Substantive testing:** • Evaluated computation of deferred income tax and challenged the key estimates such as, tax rates; • Evaluated the assumptions and methodologies used by the Company for the purpose of calculation of deferred taxes; • Assessed the recoverability of deferred tax assets of the Company by reviewing their profitability, management's forecasts and local fiscal developments;

		• Projections were assessed using a number of scenarios to cover reasonable changes in the assumptions underlying the projections. These changes mainly relate to variations in revenue growth percentages and operating margin percentages. The deferred tax assets are only recognized to the extent that it is considered probable that future taxable profits will be available, against which these deferred tax assets can be utilized; • Assessed and tested the adequacy of the Company's disclosures on deferred income tax positions and assumptions used; • Involved our tax professionals with specialized skills to evaluate the correctness and reasonableness of the calculations, judgements and estimates applied in determining deferred income tax; • Assessed Company's disclosures in respect of deferred income tax. b) **Controls testing:** Wherever appropriate, our substantive work was supplemented by controls testing work which encompassed understanding, evaluating and testing key controls in respect of judgement, estimates, calculation and presentation of deferred income tax. Our procedures as mentioned above did not identify any findings that are significant for the financial statements as whole in respect of judgement, estimates, calculation and presentation of deferred income tax as per Ind AS 12.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

Responsibility of Management and Those Charge with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

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

Other Matter

Due to the outbreak of COVID-19 pandemic, the consequent nationwide lockdown commencing from March 23, 2020 onwards, we could not visit and carry out the audit processes physically at the Company's premises. Further, the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI, give guidelines for the statutory audit via making arrangements to provide requisite documents/information through electronic medium and minimal physical movement. The entire audit has been carried considering these guidelines and alternative audit procedures as per SAs prescribed by the ICAI. Moreover, our attendance at the physical verification of inventory done by the management was impracticable under these lockdown restrictions imposed by the government and we have therefore, relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at year end. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under

Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note No. 36 to the standalone financial statements.

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

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

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 explanation given to us, the Company has paid remuneration to its directors during the year is in accordance with the provisions of and limit laid down under section 197 read with Schedule V of the Act.

For **B.R. Gupta & Co.**
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership No. 073696
UDIN: 20073696AAAAAZ8641

Place of Signature: New Delhi
Dated: 17th June, 2020

Annexure 'A' to the Independent Auditors' Report of even date on the standalone financial statements of Orient Bell Limited

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2020, we report that:

i) In respect of fixed assets comprising property, plant and equipment:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us, the title deeds of immovable properties (which are included under the head 'property, plant and equipment') held in the name of the Company are mortgaged with the Banks (except land located in Andhra Pradesh) for securing the long term borrowings and credit limits raised by the Company. In case of immovable properties that have been taken on lease and disclosed as property, plant and equipment in the financial statements, we report that the lease agreements are in name of the Company.

ii) On the basis of information and explanation provided by the Management, inventories, except for goods-in-transit, have been physically verified by the Management during the year at reasonable intervals. However, we were being informed that physical verification of clay was made on the basis of volume and density which is approximately correct. According to the information and explanations given to us, no material discrepancies were noticed on the aforesaid verification between the physical stocks and the book records.

iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) to (c) of the Order are not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

v) In our opinion and according to the information and explanation given to us, since the Company has not accepted any deposits therefore the question of the compliance of any directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not arise.

vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014 dated December 31, 2014 (as amended from time to time) to the current operations carried out by the Company. Accordingly, the provisions of paragraph 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

vii) In respect to statutory dues:

a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Service Tax, cess and any other material statutory dues applicable to it with the appropriate authorities. Further there were no undisputed outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.

b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues of Income Tax or Sales Tax or Goods and Service Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax which have not been deposited on account of any dispute except the following, which have not been deposited on account of dispute:

Name of the Statute	Nature of Dispute	Amount Involved (in ₹ in Lakh)	Amount Deposited (in ₹ in Lakh)	Period	Forum where dispute is pending
U.P. Vat Act	Entry tax and other dues	11.91	-	2000-01 & 2003-04	Allahabad High Court
U.P. Vat Act	Form 3B Misused By Indian Oil Corporation	25.96	25.96	2000-2001	Ghaziabad Tribunal
U.P. Vat Act	Entry tax and other dues	5.48	2.27	2002-03	Ghaziabad Tribunal
U.P. Vat Act	Sales Tax Demand	0.69	0.34	2003-04	Allahabad High Court

Name of the Statute	Nature of Dispute	Amount Involved (in ₹ in Lakh)	Amount Deposited (in ₹ in Lakh)	Period	Forum where dispute is pending
U.P. Vat Act	Sales Tax Demand	10.99	-	2003-04	Allahabad High Court
U.P. Vat Act	Sales Tax Demand	41.70	22.75	2003-04	Allahabad High Court
U.P. Vat Act	Advance Agst Form C	10.02	1.02	2011-12	Tribunal Ghaziabad
U.P. Vat Act	Vehicle Seizure Order Hearing Notice	2.80	2.80	2013-14	Tribunal Ghaziabad
U.P. Vat Act	Vehicle Seizure Order Hearing Notice	1.56	1.56	2016-17	Deputy Commissioner Sikandrabad
U.P. Vat Act	Vehicle Seizure Order Hearing Notice	1.98	1.98	2016-17	Deputy Commissioner Sikandrabad
U.P. Vat Act	Vehicle Seizure Order Hearing Notice	2.03	2.03	2016-17	Deputy Commissioner Sikandrabad
U.P. Vat Act	Vehicle Seizure Order Hearing Notice	1.25	1.25	2016-17	Deputy Commissioner Sikandrabad
U.P. Vat Act	Vehicle Seizure Order Hearing Notice	1.25	1.25	2016-17	Deputy Commissioner Sikandrabad
U.P. Vat Act	Vehicle Seizure Order Hearing Notice	2.29	2.29	2016-17	Deputy Commissioner Sikandrabad
U.P. Vat Act	Vehicle Seizure Order Hearing Notice	0.70	0.70	2017-18	Deputy Commissioner Sikandrabad
U.P. Vat Act	Vehicle Seizure Order Hearing Notice	0.56	0.56	2017-18	Deputy Commissioner Sikandrabad
U.P. Vat Act	Vehicle Seizure Order Hearing Notice	10.52	10.52	2017-18	Deputy Commissioner Sikandrabad
Gujrat VAT	Sales Tax Demand	2.80	-	2010-11	Astt. Commissioner of Commercial Tax
Gujrat VAT	Sales Tax Demand	4.72	1.00	2006-07	Gujarat VAT Tribunal, Ahmedabad
Gujrat CST	VAT/CST Demand	5.08	2.52	2013-14	State Deputy Commissioner, Ahmedabad
Gujrat CST/VST	VAT/CST Demand	-	-	2014-15	State Deputy Commissioner, Ahmedabad
Gujrat/ Mumbai Octroi	Mumbai MCD Octroi	0.37	-	2013-14	Gujarat CST
Gujrat CST/VAT	VAT/CST Demand	26.52	3.50	2010-11	VAT Tribunal, Ahmedabad
Karnataka VAT/CST	VAT/CST Demand	6.44	3.41	2015-16	AC - Commercial Tax
A.P.VAT Act	Sales Tax demand	4.90	-	2005-06 & 2006-07	High Court of A.P.
A.P.VAT Act	Sales Tax Demand	21.37	10.68	2009-10	Commissioner (A)
Kerala Vat Act	Sales Tax Demand	4.39	1.55	2005-06	Astt. commissioner, Ernakulum
Kerala Vat Act	Sales Tax Demand	26.39	-	2009-10	Astt. commissioner, Ernakulum
Kerala Vat Act	Sales Tax Demand	0.56	-	2008-09	Astt. commissioner, Ernaku-lum
Kerala Vat Act	BCL Kerala under Vat Act	1.15	-	2012-13	Commissioner (A) DC

Name of the Statute	Nature of Dispute	Amount Involved (in ₹ in Lakh)	Amount Deposited (in ₹ in Lakh)	Period	Forum where dispute is pending
Kerala Vat Act	OBL Kerala 12-13 under VAT Act	116.22	-	2012-13	Astt. commissioner, Ernakulum
Goa VAT Act	Sales Tax Demand	0.04	-	2008-09	Astt commissioner, Goa
Haryana Vat Act	Sales Tax Demand	1.21	-	2015-16	Commissioner (A)-Excise & Taxation Officer
Haryana Vat/CST Act	Sales Tax Demand	6.54	-	2014-15	ETO Sonepat
Haryana Vat/CST Act	Sales Tax Demand	205.59	-	2015-16	ETO Sonepat
Haryana Vat/CST Act	Sales Tax Demand	347.87	-	2016-17	ETO Sonepat
Mumbai VAT Department	BCL-Mumbai : Tax demand on Vehicle Sale	0.27	-	2006-07	VAT Officer
Delhi VAT- OBL	under CST Act' Self-Asst demand	0.10	-	2013-14	VAT Officer
Delhi VAT- OBL	under CST Act' Self-Asst demand	0.61	-	2014-15	VAT Officer
Delhi VAT- BCL	Sales Tax Demand	0.67	-	2006-07	VAT Officer
Delhi VAT- BCL	Sales Tax Demand	0.98	-	2006-07	VAT Officer
Delhi VAT	CST Act' Asst demand	1.12	1.12	2008-09	VAT Officer
Delhi VAT	CST Act' Asst demand	2.89	2.89	2009-10	VAT Officer
Delhi VAT	CST Act' Asst demand	2.47	-	2011-12	VAT Officer
Central Excise & Customs Act	Excise & other dues	0.29	0.29	Sept - 06 to Apr - 11	Cestat, Ahmedabad
Central Excise & Customs Act	Excise & other dues	2.32	-	Aug - 05 to Apr -10	Cestat, Ahmedabad
Central Excise & Customs Act	Excise & other dues	50.39	3.78	2015-16	Appellate tribunal
Central Excise & Customs Act	Excise & other dues	21.54	-	2005-06	Cestat, Ahmedabad
Central Excise & Customs Act	Excise & other dues	0.63	-	Jan'05-Dec'08	Deputy Commissioner of Central Excise & Customs, Bharuch
Central Excise & Customs Act	Excise & other dues	1.36	-	May 2010 to March 2011	Superintendent Central Excise & Customs, Bharuch
Central Excise & Customs Act	Excise & other dues	0.39	-	Oct'2010 to Mar'2011	Superintendent Central Excise & Customs, Bharuch
Central Excise & Customs Act	Excise & other dues	0.91	-	Jun'2007 to Mar'2010	Assistant Central Excise & Customs, Vadodara
Central Excise & Customs Act	Excise & other dues	0.41	-	April'2010 to Mar' 2011	Assistant Central Excise & Customs, Vadodara
Central Excise & Customs Act	Excise & other dues	17.42	1.74	June'13 to Oct'16	Commissioner Appeal,Vadodara
Central Excise & Customs Act	Excise & other dues	7.04	0.70	Nov'16 to Jun'17	Commissioner Appeal,Vadodara
Income Tax Act, 1961	Income Tax demand	5.22	-	AY:2017-18	CIT(Appeals), N. Delhi

viii) On the basis of information and explanation provided to us, the Company has not defaulted in repayment of loans and borrowings to financial institution and bank. The Company has not taken any loan from Government and also has not issued any debentures.

ix) The Company did not raise any money by the way of initial public or further public offer (including debt instruments) during the year. The Company has not taken any term loan during the year.

x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid/ provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause 3 (xiv) of the order are not applicable.

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3 (xv) of the order are not applicable.

xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause3 (xvi) of the order are not applicable

For **B.R. Gupta & Co.**
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership No. 073696
UDIN: 20073696AAAAAZ8641

Place of Signature: New Delhi
Dated: 17th June, 2020

Annexure 'B' to the Independent Auditors' Report of even date on the Standalone Financial Statement of Orient Bell Limited

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 and, both 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 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 controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.R. Gupta & Co.**
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership No. 073696
UDIN: 20073696AAAAAZ8641

Place of Signature: New Delhi
Dated: 17th June, 2020

Balance Sheet as at March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I. Assets			
Non-Current Assets			
(a) Property, Plant and Equipment	4	22,426.04	23,870.66
(b) Capital Work-in-Progress	5	67.08	102.15
(c) Right-of-use assets	35	787.19	-
(d) Other Intangible Assets	6	54.66	11.57
(e) Financial Assets			
(i) Investments	7	572.00	572.00
(ii) Other Financial Assets	8	316.70	317.19
(f) Other Non Current Assets	9	86.90	93.16
Total Non-Current Assets		**24,310.57**	**24,966.73**
Current Assets			
(a) Inventories	10	8,059.66	8,545.74
(b) Financial Assets			
(i) Trade Receivables	11	8,692.58	11,621.49
(ii) Cash and Cash Equivalents	12	11.46	10.65
(iii) Bank Balances other than Cash and Cash Equivalents	13	287.16	344.27
(iv) Other Financial Assets	8	26.73	28.70
(c) Current Tax Assets (Net)	22	47.34	-
(d) Other Current Assets	9	456.01	257.48
Total Current Assets		**17,580.94**	**20,808.33**
Total Assets		**41,891.51**	**45,775.06**
II. Equity And Liabilities			
Equity			
(a) Equity Share Capital	14	1,428.41	1,424.86
(b) Other Equity	15	22,407.92	21,735.36
Total Equity		**23,836.33**	**23,160.21**
Liabilities			
Non- Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	3,335.49	4,513.38
(ii) Lease Liabilities	35	785.22	-
(iii) Other Financial Liabilities	17	1,052.82	1,037.66
(b) Provisions	18	153.41	242.28
(c) Deferred Tax Liabilities (Net)	19	2,196.16	2,719.81
Total Non- Current Liabilities		**7,523.10**	**8,513.13**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	602.42	4,301.76
(ii) Lease Liabilities	35	217.18	-
(iii) Trade Payables	20		
a) Total Outstanding Dues to Micro and Small Enterprises		-	2.57
b) Total Outstanding Dues to Parties Other than Micro and Small Enterprises		7,728.25	7,085.45
(iv) Other Financial Liabilities	17	1,227.30	1,309.80
(b) Other Current Liabilities	21	714.42	1,266.27
(c) Provisions	18	42.51	56.63
(d) Current Tax Liabilities (Net)	22	-	79.24
Total Current Liabilities		**10,532.08**	**14,101.72**
Total Equity and Liabilities		**41,891.51**	**45,775.06**
Summary of Significant Accounting Policies	3		

The accompanying notes are integral part of the financial statements.

As per our Report of even date attached

For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

for & on behalf of Board of Directors of Orient Bell Limited

(Deepak Agarwal)
Partner
Membership Number 073696

Madhur Daga
Managing Director
DIN 00062149

P.M. Mathai
Director
DIN 05249199

Place of Signature : New Delhi
Date : June 17, 2020

Aditya Gupta
Chief Executive Officer

Himanshu Jindal
Chief Financial Officer

Yogesh Mendiratta
Company Secretary
ICSI Membership No. 13615

Statement of Profit and Loss for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the Year ended March 31, 2020	For the Year ended March 31, 2019
I Revenue from Operations	23	49,228.62	57,113.90
II Other Income	24	524.86	193.51
III Total Income (I+II)		**49,753.48**	**57,307.41**
IV Expenses			
(a) Cost of Materials Consumed	25	7,130.14	8,935.78
(b) Purchases of Stock-in-Trade	26	16,355.61	17,327.73
(c) Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	27	144.10	(592.25)
(d) Employee benefits expense	28	7,355.16	7,564.65
(e) Finance costs	29	809.26	870.87
(f) Depreciation and amortization expense	30	2,058.58	1,652.13
(g) Other expenses	31	15,637.66	20,177.17
Total expenses		**49,490.51**	**55,936.08**
V Profit/ (loss) before exceptional items and tax (III-IV)		**262.97**	**1,371.33**
VI Exceptional Items		-	-
VII Profit/ (loss) before tax (V-VI)		**262.97**	**1,371.33**
VIII Tax expense:	32		
(a) Current tax		184.65	302.55
(b) Adjustment of tax relating to earlier periods		21.60	13.42
(c) Deferred tax		(625.87)	165.79
Total tax expense		**(419.62)**	**481.76**
IX Profit/(loss) for the year (VII-VIII)		**682.59**	**889.57**
X Other Comprehensive Income			
(A) (i) Items that will not be reclassified subsequently to statement of profit and loss			
(a) Re-measurement gains/ (losses) on defined benefit plans		87.29	98.05
(ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss		(21.97)	(34.26)
(B) (i) Items that will be reclassified subsequently to statement of profit and loss		-	-
(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-
Other comprehensive income for the year, net of tax		**65.32**	**63.79**
XI Total comprehensive income for the year, net of tax		**747.91**	**953.36**
XII Earnings per share: (Face value ₹ 10 per share)	33		
1) Basic (amount in ₹)		4.78	6.24
2) Diluted (amount in ₹)		4.73	6.20
Summary of Significant Accounting Policies	3		

The accompanying notes are integral part of the financial statements.

As per our Report of even date attached

For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership Number 073696

Place of Signature : New Delhi
Date : June 17, 2020

for & on behalf of Board of Directors of Orient Bell Limited

Madhur Daga
Managing Director
DIN 00062149

P.M. Mathai
Director
DIN 05249199

Aditya Gupta
Chief Executive Officer

Himanshu Jindal
Chief Financial Officer

Yogesh Mendiratta
Company Secretary
ICSI Membership No. 13615

Statement of Cash Flows for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		For the Year ended March 31, 2020	For the Year ended March 31, 2019
Cash Flows From Operating Activities			
Profit Before Tax		**262.97**	**1,371.33**
Adjustments for:			
Depreciation and amortization		2,058.58	1,652.13
Interest Paid		805.81	867.65
Impact of effective interest rate adjustment on borrowings		9.04	6.31
Provision for employee benefit		151.71	113.09
Loss/(Gain) on sale of property, plant and equipment (including written off)		23.79	(51.65)
Government Grant Income Interest/GST Incentive		(60.18)	-
Interest on delayed payment of Taxes		3.45	3.22
Depreciation written back on capital subsidy		(0.40)	-
Unwinding of discount on deposits		(6.23)	(5.85)
Interest Income		(38.58)	(40.30)
Excess liability written back		(120.57)	(39.66)
Allowances for doubtful debts written back		(22.19)	-
Provision for Slow Moving of Inventories- Finished Goods		2.32	30.21
Allowances for doubtful debts		-	12.20
Bad Debts Written Off		-	8.40
Operating Profit Before Working Capital Changes		**3,069.52**	**3,927.08**
Movement In Working Capital:			
Increase/(Decrease) in Trade Payables & Other Current Liabilities		126.45	(835.22)
Increase/(Decrease) in Other Long Term Liabilities		99.54	(10.43)
Increase/(Decrease) in Provisions		(26.02)	12.97
(Increase)/Decrease in Trade Receivables		2,951.10	934.94
(Increase)/Decrease in Inventories		483.75	307.38
(Increase)/Decrease in Other Current Assets and other bank balances		(137.43)	17.87
(Increase)/Decrease in Other Non-Current Assets		69.80	18.04
Cash Generated From Operations		**6,636.72**	**4,372.63**
Direct Tax paid (Net of Refunds)		(186.60)	(276.87)
Net Cash Inflow From/(Used In) Operating Activities	(A)	**6,450.12**	**4,095.76**
Cash Flows From Investing Activities			
Purchase of Property, Plant and Equipment and other intangible assets		(473.04)	(5,797.83)
Sale Proceeds of Property, Plant and Equipment		32.83	193.83
Interest Income		44.65	40.30
Net Cash From/ (Used In) Investing Activities	(B)	**(395.56)**	**(5,563.70)**

Statement of Cash Flows for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		For the Year ended March 31, 2020	For the Year ended March 31, 2019
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		3.55	-
Increase/ (Decrease) in Long Term & Short Term Borrowings		(4,982.11)	2,406.48
Repayment of lease liabilities		(194.88)	-
Dividend (including dividend distribution tax) Paid		(87.80)	(85.89)
Interest paid (net)		(792.52)	(867.65)
Net cash inflow from/(used in) Financing Activities	(C)	**(6,053.75)**	**1,452.94**
Net Increase / (Decrease) In Cash And Cash Equivalents	(A+B+C)	**0.81**	**(15.00)**
Opening Balance of Cash and Cash Equivalents		10.65	25.65
Total Cash And Cash Equivalent (Note No. 12)		**11.46**	**10.65**
Components Of Cash And Cash Equivalents			
Cash on hand		8.09	3.32
With banks - on current account and deposits with banks		3.37	7.33
Total Cash and Cash equivalent (Note No. 12)		**11.46**	**10.65**

Note: (a) Purchase of Property, Plant and Equipment includes cash flows of capital work-in-progress (including Capital Advances) and movement in Capital Expenditure Creditors during the year

(b) The cash flow statement has been prepared under indirect method as set out in Indian Accounting Standard (IND AS-7)

Summary of Significant Accounting Policies (Note No. 3)

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached
For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership Number 073696

Place of Signature : New Delhi
Date : June 17, 2020

for & on behalf of Board of Directors of Orient Bell Limited

Madhur Daga
Managing Director
DIN 00062149

P.M. Mathai
Director
DIN 05249199

Aditya Gupta
Chief Executive Officer

Himanshu Jindal
Chief Financial Officer

Yogesh Mendiratta
Company Secretary
ICSI Membership No. 13615

Statement of Changes in Equity for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Amount
A. Equity Share Capital	
Opening Balance as at April 01, 2018	1,423.11
Changes during the year	1.75
Opening Balance as at March 31, 2019	1,424.86
Changes during the year	3.55
Closing Balance as at March 31, 2020	1,428.41

B. Other Equity

	Reserve & Surplus							Total equity
	Capital Reserve	Security Premium	Capital Restructuring	Amalgamation Reserve	Share Options Outstanding Account	General Reserve	Retained earnings	
Balance as at April 01, 2018	25.57	1,257.18	46.16	913.04	60.63	4,882.91	13,571.06	20,756.54
Net Income/ Loss for the year	-	-	-	-	-	-	889.57	889.57
Add: Other comprehensive income *	-	-	-	-	-	-	63.79	63.79
Employee Stock Option Scheme	-	20.46	-	-	90.88	-	-	111.34
Final Dividend for the FY 17-18 (Refer Note 45)	-	-	-	-	-	-	(71.24)	(71.24)
Dividend Distribution Tax	-	-	-	-	-	-	(14.64)	(14.64)
Balance as at March 31, 2019	25.57	1,277.63	46.16	913.04	151.51	4,882.91	14,438.53	21,735.36
Implementation of Ind AS 116: Leases (Refer Note 35)	-	-	-	-	-	-	(141.09)	(141.09)
Balance as at April 01, 2019 (Revised)								
Net Income/ Loss for the year	-	-	-	-	-	-	682.59	682.59
Add: Other comprehensive income *	-	-	-	-	-	-	65.32	65.32
Employee Stock Option Scheme	-	89.53	-	-	57.47	-	4.72	151.71
Final Dividend for the FY 18-19 (Refer Note 45)	-	-	-	-	-	-	(71.31)	(71.31)
Dividend Distribution Tax	-	-	-	-	-	-	(14.66)	(14.66)
Balance as at March 31, 2020	25.57	1,367.16	46.16	913.04	208.98	4,882.91	14,964.10	22,407.93
*Represents Re-measurement of defined benefit plans (net)								

Summary of Significant Accounting Policies (Note No. 3)

The accompanying notes are integral part of the financial statements.

As per our Report of even date attached

For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership Number 073696

Place of Signature : New Delhi
Date : June 17, 2020

for & on behalf of Board of Directors of Orient Bell Limited

Madhur Daga
Managing Director
DIN 00062149

P.M. Mathai
Director
DIN 05249199

Aditya Gupta
Chief Executive Officer

Himanshu Jindal
Chief Financial Officer

Yogesh Mendiratta
Company Secretary
ICSI Membership No. 13615

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

NOTE 1 : CORPORATE INFORMATION

Orient Bell Limited (hereinafter referred as the Company) was incorporated on May 18, 1977 and is engaged in the manufacturing, trading and selling of ceramic and floor tiles. The Company is a public limited company incorporated and domiciled in India and has its registered office at Sikandrabad, Uttar Pradesh, India. The Company has its primary listings on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

The financial statement are approved by the Board of Directors in their Board Meeting held on June 17, 2020.

NOTE 2 : STATEMENT OF COMPLIANCE

The Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.

The accounting policies are applied consistently to all the periods presented in the financial statements.

Basis of Preparation and presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value and defined benefit plans - plan assets measured at fair value at the end of each reporting period, as explained in the relevant accounting policies mentioned. The financial statements are presented in ₹ and all values are rounded to the nearest lakh except otherwise stated.

Going Concern

The board of directors have considered the financial position of the Company at March 31, 2020, the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. However, there is no such notification which would have been applicable from April 1, 2020.

Application of New Accounting Pronouncements

The following Ind As pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules 2018, were applied by the Company during the year:

- Ind AS 116, Leases with effect from April 1, 2019
- Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments with effect from April 1, 2019
- Amendment to Ind AS 12 – Income taxes with effect from April 1, 2019
- Amendment to Ind AS 19 – Plan amendment, curtailment or settlement with effect from April 1, 2019

None of the changes described above, or any of the other changes to the Ind AS, with the exception of Ind AS 116 (Leases), have a impact on the net worth, financial position, financial performance or on the cash flow of the Company.

Note 3: SIGNIFICANT ACCOUNTING POLICIES

a) **Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

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

Use of Estimates and Judgements

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

i) Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Where tax positions are uncertain, accruals are recorded within income tax liabilities for management's best estimate of the ultimate liability that is expected to arise based on the specific circumstances and the Company's historical experience. Factors that may have an impact on current and deferred taxes include changes in tax laws, regulations or rates, changing interpretations of existing tax laws or regulations, future levels of research and development spending and changes in pre-tax earnings.

ii) Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

iii) Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

iv) Defined benefit plans

The present value of the gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the actuary considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

v) Useful lives of property, plant and equipment

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

vi) Leases

Where the Company is the lessee, key judgements include assessing whether arrangements contain a lease and determining the lease term. To assess whether a contract contains a lease requires judgement about whether it depends on a specified asset, whether the Company obtains substantially all the economic benefits from the use of that asset and whether the Company has a right to direct the use of the asset. In order to determine the lease term judgement is required as extension and termination options have to be assessed along with all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option. The Company revises the lease term if there is a change in the non-cancellable period of a lease. Estimates include calculating the discount rate which is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Where the Company is the lessor, the treatment of leasing transactions is mainly determined by whether the lease is considered to be an operating or finance lease. In making this assessment, management looks at the substance of the lease,

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

as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred. Arrangements which do not take the legal form of a lease but that nevertheless convey the right to use an asset are also covered by such assessments.

The management's estimates and assessments were based in particular on assumptions regarding the development of the economy as a whole, the development of tiles markets, and the development of the basic legal parameters.

b) Current versus non-current classification

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

Assets:

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle.

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities:

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

Operating cycle: The operating cycle is the time between the acquisition of assets / liabilities for processing and their realisation / payment in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) Property, Plant and Equipment (PPE)

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss within other income / expense (as applicable).

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Subsequent costs : The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred.

Decommissioning Costs : The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work in progress : Capital work in progress comprises the cost of property, plant and equipment that are not ready for their intended use at the reporting date.

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

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2016 as the deemed cost under Ind AS.

Depreciation : Depreciation on PPE are provided to the extent of depreciable amount on straight line basis (SLM). Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 except on certain assets, where useful life has been taken based on external / internal technical evaluation which is given below in table. Leasehold Land and Leasehold Improvements are amortised over the period of lease or useful life of assets whichever is lower. The residual values, useful lives are reviewed at each financial year end and adjusted appropriately.

Particulars	Useful life as per Schedule II of Companies Act, 2013 (Years)	Management Estimate of Useful Life (Years)*
Buildings *	**30 years**	**5 & 30 years**
Plant and Machinery *		
Moulds	25 years	5 years
Punches	25 years	5 years
Steel Pallets	18 years	5 years
Digital Machine	25 years	10 years
Others	25 years	18 years
Office Equipment *		
Mobiles	5 years	3 years

*For these classes of assets, based on internal assessment by technical team, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

d) **Intangible Assets**

Recognition and measurement

Intangible assets that are acquired by the Company are measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. All expenditures, qualifying as Intangible Assets are amortized over estimated useful life. Specialized softwares are amortized over a period of 3 years or license period whichever is earlier.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Amortisation

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2016 as the deemed cost under Ind AS.

e) **Borrowing Costs**

Borrowing costs consists of interest and amortization of ancillary costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest cost.

f) **Foreign Currency Transaction**

Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (₹ in lakh) which is Company's functional currency and also the presentational currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash.

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

Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Advances received or paid in foreign currency are recognised at exchange rate on the date of transaction and are not retranslated.

g) **Revenue Recognition**

The Company derives revenues primarily from sale of manufactured goods and traded goods

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115)- 'Revenue from contracts with customers'. The effect on adoption of Ind-AS 115 was insignificant.

Revenue from sale of products is recognized upon transfer of control to customers. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring district goods to a customer as specified in a contract, excluding amounts collected on behalf of third parties (for example, taxes and duties collected on behalf of the Government). A receivable is recognized upon satisfaction of performance obligations as per the Contracts. The company has concluded that it is principal in its revenue arrangements.

Use of significant Judgements in Revenue Recognition

- Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as volume discounts, price concessions, incentives etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.
- The Company estimates variable considerations to be included in the transaction price for the sale of goods with volume rebates.

  The Company's expected volume rebates are analysed on a per customer basis. Determining whether a customer will be entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date. The Company updates its assessment of volume rebates on regular basis.
- The Company assesses its revenue arrangements against specific recognition criterias like exposure to the significant risks and rewards associated with the sale of goods. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Company and its customers are reviewed to determine each party's respective role in the transaction.

Other Operating Revenue

Dividend income is recognized when the right to receive payment is established.

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

Claims receivables on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

h) **Inventories**

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. The cost of various components of inventory is determined as follows :-

Raw Materials, Stores, Spares and Packing Material	Cost includes purchase price, non refundable duties, taxes and all other costs incurred in bringing the inventories to their present location. Cost is determined on Weighted Average Basis.
Stocks-in-process and Finished Goods	Cost includes material cost and also includes an appropriate portion of allocable overheads. Cost is determined on Weighted Average Basis.
Traded Goods	Cost includes purchase cost, duties, taxes and all other costs incurred in bringing the inventory to their present location. Cost is determined on Weighted Average Basis.

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

i) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Company as Lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term.

j) Employee's Benefits

Short Term Employee Benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in Statement of Profit and Loss in the period in which the employee renders the related service.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and thereafter, will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance Schemes are defined contribution scheme and contributions paid / payable are recognised as an expense in the statement of profit and loss during the year in which the employee renders the related service.

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

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities.

Re-measurements, comprising actuarial gains and losses including, the effect of the changes to the asset ceiling (if applicable), is reflected immediately in Other Comprehensive Income, they are included in retained earnings in the Statement of Changes in Equity and Balance sheet. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Other Long Term Benefits

Long term compensated absences are provided for on the basis of actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains / loss are recognised in Statement of Profit & Loss. On the basis of companies policy, compensated absences upto 50 days (60 days in case of Dora worker and 30 days in case of SKD workers) are recognised as long term employee benefit & compensated absences beyond 60/50/30 days as may be applicable, shall lapse after the end of financial year.

Employees Share Based Payment

Employees (including senior executives) of the Company receive component of remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled Transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits.

k) Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Contingent liability is disclosed in the case of;

i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle obligation;

ii) a present obligation arising from past events, when no reliable estimate is possible.

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

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

l) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

1) Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

2) Classification and Subsequent measurement

(a) Financial Assets

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

- Financial Asset carried at amortised cost
- Financial Asset at fair value through other comprehensive income (FVTOCI)
- Financial Asset at fair value through profit and loss (FVTPL)

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

• Financial Asset carried at amortised cost

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

• Financial Asset at fair value through other comprehensive income (FVTOCI)

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

• Financial Asset at fair value through profit and loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

• Equity investment in Associates

Investments representing equity interest in associates are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Company had elected for one time Ind AS 101 exemption and adopted the fair value of ₹ 10 of its investment in equity shares of its associates as its deemed cost as at the date of transition.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

(i) The contractual rights to receive cash flows from the asset has expired, or

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

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

(b) Financial Liabilities

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities at Amortized cost

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to the borrowings.

De-recognition

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 the de-recognition of the original liability and the recognition of a new liability. The difference (if any) in the respective carrying amounts is recognised in the statement of profit and loss.

(c) Offsetting of Financial Instruments

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

m) Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

n) Impairment of Non-Financial Assets

The carrying amounts of the Company’s non-financial assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (‘CGU’) is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (‘CGU’).

An impairment loss is recognized, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in statement of profit and loss.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

o) Fair Value Measurement

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:

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

(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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

p) Taxes on Income

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses (if any). Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

In accordance with Ind AS 12 Company is grouping MAT credit entitlement with Deferred Tax Assets / Liability (Net).

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

q) Government Grants and Subsidies

Government grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

Government grants, that are receivable towards capital investments under State Investment Promotion Scheme, are recognised in the Statement of Profit and Loss in the period in which they become receivable.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

r) Cash and cash equivalents

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

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

s) Earnings per share (EPS)

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

t) Segment Reporting

The Company has the policy of reporting the segments in a manner consistent with the internal reporting provided to the chief decision maker. The chief decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

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

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Land-Freehold	Land-Leasehold	Buildings	Leasehold Improve-ments	Plant and** Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installations & Equipment	Computers	Total
Gross Carrying Amount :											
As at April 01, 2018	5,852.01	183.60	4,919.97	392.19	11,022.48	45.38	303.90	72.05	40.00	98.96	22,930.54
Add: Additions made during the year	-	-	1,514.76	52.77	4,276.12	2.24	133.17	12.41	11.41	19.47	6,022.36
Less: Disposals/adjustments during the year	-	-	11.17	3.94	45.45	-	134.73	0.70	-	19.43	215.43
As at March 31, 2019	**5,852.01**	**183.60**	**6,423.56**	**441.02**	**15,253.15**	**47.62**	**302.34**	**83.76**	**51.41**	**99.00**	**28,737.47**
Add: Additions made during the year	-	-	72.52	36.95	252.27	-	54.67	22.07	1.77	15.40	455.65
Less: Disposals/adjustments during the year	-	-	-	-	42.19	0.73	63.61	0.74	0.37	-	107.63
As at March 31, 2020	**5,852.01**	**183.60**	**6,496.09**	**477.98**	**15,463.24**	**46.89**	**293.40**	**105.09**	**52.81**	**114.39**	**29,085.49**
Accumulated Depreciation :											
As at April 01, 2018	-	5.48	494.72	123.11	2,494.28	12.09	90.48	34.38	8.08	31.90	3,294.53
Add: Depreciation charge for the year	-	2.74	247.78	59.96	1,241.64	5.53	46.05	15.73	4.72	21.39	1,645.54
Less: Disposals/adjustments during the year	-	-	0.83	2.65	6.42	-	60.87	0.66	-	1.83	73.26
As at March 31, 2019	**-**	**8.22**	**741.67**	**180.42**	**3,729.50**	**17.62**	**75.66**	**49.45**	**12.80**	**51.46**	**4,866.81**
Add: Depreciation charge for the year	-	2.74	285.89	75.80	1,378.44	5.46	39.31	12.40	5.65	24.32	1,830.01
Less: Disposals/adjustments during the year	-	-	-	-	5.09	0.23	31.62	0.31	0.12	-	37.37
As at March 31, 2020	**-**	**10.96**	**1,027.56**	**256.22**	**5,102.84**	**22.85**	**83.34**	**61.54**	**18.33**	**75.78**	**6,659.45**
Net Carrying Amount :											
As at March 31, 2020	**5,852.01**	**172.64**	**5,468.53**	**221.75**	**10,360.39**	**24.04**	**210.06**	**43.55**	**34.48**	**38.61**	**22,426.04**
As at March 31, 2019	**5,852.01**	**175.38**	**5,681.90**	**260.60**	**11,523.65**	**30.00**	**226.68**	**34.30**	**38.61**	**47.54**	**23,870.66**

(a) In earlier years, the Company had acquired a land from Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) at Industrial Park, Phase-II, Peddapuram, East Godavari District, Andhra Pradesh. Due to non- implementation of agreed project by the Company, the Company had received a notice from APIIC for resumption of such allotment in F.Y. 2016-17. Against such notice, the Company has filed a writ petition before High Court of Andhra Pradesh to set aside the said notice of APIIC. Subsequently, the Company has received a stay order from the Hon'ble High Court granting interim suspension of the proceedings in said notice of APIIC. As on the reporting date, the matter involved is sub-judiced before the Hon'ble High Court of of Andhra Pradesh.

(b) Refer Note No-16, for Information on Property, Plant and Equipment pledged as security by the Company.

**Adjustment in Plant & Equipment under gross carrying amount and accumulated depreciation of ₹ 14.82 Lakh and ₹ 0.40 Lakh respectively represents capital subsidy receivable (Refer Note 24(a))

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

NOTE 5 : CAPITAL WORK IN PROGRESS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2020	As At March 31, 2019
Capital work in progress	67.08	102.15
	67.08	**102.15**
a) Breakup of Capital Work in Progress is as follows:		
Buildings	0.54	70.04
Plant and Equipment	66.54	32.11
	67.08	**102.15**

NOTE 6 : OTHER INTANGIBLE ASSETS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Computer Software	Website Development	Total
Gross Carrying Amount :			
As at April 01, 2018	27.98	-	27.98
Add: Additions during the year	4.26	-	4.26
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2019	32.24	-	32.24
Add: Additions during the year	-	49.51	49.51
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2020	32.24	49.51	81.75
Amortisation and impairment			
As at March 31, 2018	14.08	-	14.08
Add: Amortisation charge for the year	6.59	-	6.59
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2019	20.67	-	20.67
Add: Amortisation charge for the year	6.38	0.05	6.42
Less: Disposals/adjustments during the year	-	-	-
As at March 31, 2020	27.05	0.05	27.09
Net carrying amount			
As at March 31, 2020	5.19	49.47	54.66
As at March 31, 2019	11.57	-	11.57

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

NOTE 7 : NON-CURRENT INVESTMENTS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2020	As At March 31, 2019
Investment in Equity Shares of Associates (carried at cost)		
Unquoted		
31,20,000 (March 31, 2019 : 31,20,000) Equity Shares of Proton Granito Private Limited of ₹ 10 each, fully paid up	312.00	312.00
26,00,000 (March 31, 2019: 26,00,000) Equity Shares of Corial Ceramic Private Limited of ₹ 10 each, fully paid up	260.00	260.00
	572.00	572.00
a) Aggregate value of unquoted investments	572.00	572.00

b) Information about Associates

Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of equity Interest	
	As At March 31, 2020	As At March 31, 2019
(i) Proton Granito Private Limited, India, Manufacturing of Vitrified Tiles	19.50 %	19.50 %
(ii) Corial Ceramic Private Limited, India, Manufacturing of Ceramic Tiles	26.00 %	26.00%

NOTE 8 : OTHER FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Security Deposits (Refer to note 'a' and 'b' below)	316.70	313.16	10.64	6.92
Deposits with original maturity of more than 12 months (Refer to note 'c' and 'd' below)	-	3.65	-	-
Interest accrued on security deposits	-	-	13.86	19.06
Interest accrued on fixed deposits	-	0.38	2.23	2.72
	316.70	317.19	26.73	28.70

a) The Company has determined its security deposits are not in the nature of loans and accordingly have been classified as part of other financial assets.

b) Out of the above security deposit ₹ 10 lakh (March 31, 2019: ₹ 10 Lakh) pertains to the related parties.

c) Fixed Deposits with a carrying amount of ₹ NIL (March 31, 2019: ₹ 3.65 Lakh) are pledged with Government Authorities.

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

NOTE 9 : OTHER ASSETS

(Unsecured, considered good, unless otherwise stated)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Capital Advances	20.35	17.39	-	-
Balance with Government Authorities	53.59	49.59	30.49	8.30
Advances to Employees	-	-	24.62	12.05
Advances to Suppliers	-	-	56.14	51.61
Subsidy Recoverable	-	-	75.00	-
Deferred Payment Assets (Refer Note 35)	-	8.83	-	4.21
Gratuity Fund (Refer Note 34)	-	-	170.34	61.65
Prepaid Expenses	12.96	17.35	99.11	119.66
Export Incentive Receivable	-	-	0.31	-
	86.90	**93.16**	**456.01**	**257.48**

NOTE 10 : INVENTORIES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials	743.94	697.90
Work In Progress	167.15	91.90
Finished Goods	5,908.36	6,124.50
Stock-in Trade	190.05	193.27
Stores and Spares	924.62	1,159.70
Goods In Transit-Stores & Spares	58.96	217.13
Packing Material	119.47	111.90
	8,112.55	**8,596.30**
Less : Provisions for Slow and Non moving Inventories - Finished Goods	52.89	50.56
	8,059.66	**8,545.74**

a) Refer Note No-16, for Information on above assets being pledged as security by the Company
b) For mode of valuation Refer Note 3(h).

NOTE 11 : TRADE RECEIVABLES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		As at March 31, 2020	As at March 31, 2019
- Considered Good - Secured	(A)	332.24	330.42
- Considered Good - Unsecured		8,381.56	11,334.48
Less: Allowance for Expected Credit Loss		21.22	43.41
	(B)	**8,360.34**	**11,291.07**
	(A+B)	**8,692.58**	**11,621.49**

a) The Company has no trade receivables which have significant increase in credit risk and trade receivables which are credit impaired. (Refer Note 44)
b) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.
c) Nor any trade or other receivable are due from firms or private companies in which any director is a partner, director or a member.
d) Trade receivables are generally on terms of not more than 90 days.
e) Refer Note 16, for Information on above assets being pledged as security by the Company

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

NOTE 12 : CASH AND CASH EQUIVALENTS

(All amounts in ₹ lakhs, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Balances with Banks:		
- Current Account	3.37	7.33
Cash on Hand	4.61	0.85
Foreign Cash on Hand	3.48	2.47
	11.46	**10.65**

a) Refer Note 16, for Information on above assets being pledged as security by the Company

b) For the purpose of the statement of cash flow, the cash and cash equivalent are same given above.

NOTE 13 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Earmarked balances with banks		
- Unpaid Dividend Account (Refer note 'a' below)	10.16	11.99
- Deposits with original maturity of more than 3 months but less than 12 months (Refer note 'b' & 'c' below)	277.00	332.28
	287.16	**344.27**

a) Unpaid Dividend Accounts are restricted accounts and hence are re-classified from cash & cash equivalent to other bank balance as at March 31, 2020.

b) Fixed Deposits with a carrying amount of ₹ 277.00 Lakh (March 31, 2019: ₹ 332.03 Lakh) are subject to first charge to secure the Company's loans from banks.

c) Fixed Deposits with a carrying amount of ₹ NIL (March 31, 2019: ₹ 0.25 Lakh) are pledged with Government Authorities.

NOTE 14 : EQUITY SHARE CAPITAL

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised 4,00,00,000 (March 31, 2019 : 4,00,00,000) Equity Share of ₹ 10 each*	4,000.00	4,000.00
	4,000.00	**4,000.00**
Issued, subscribed and fully paid up 1,42,84,076 (March 31, 2019: 1,42,48,576) Equity Share of ₹ 10 each*	1,428.41	1,424.86
	1,428.41	**1,424.86**

a) **Reconciliation of Issued and Subscribed Share Capital:**

Particulars	No. of shares*	Amount in ₹ Lakhs
Balance as at April 1, 2018	**1,42,31,076**	**1,423.11**
Add: ESOP shares issued during the year (Refer Note 41)	17,500	1.75
Balance as at March 31, 2019	**1,42,48,576**	**1,424.86**
Add: ESOP shares issued during the year (Refer Note 41)	35,500	3.55
Balance as at March 31, 2020	**1,42,84,076**	**1,428.41**

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

b) **Terms/ rights attached to equity shares:**

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2020, the amount of per share dividend proposed as distributions to equity shareholders was ₹ NIL per share (March 31, 2019: ₹ 0.50 per share). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Details of Shareholders Holding More than 5% Shares In the Company**

Name of Party	As at March 31, 2020		As at March 31, 2019	
	No. of shares*	Holding %	No. of shares*	Holding %
Mr. Mahendra K Daga	31,52,761	22.07%	30,35,625	21.30%
Mr. Madhur Daga	12,97,417	9.08%	12,87,417	9.04%
Good Team Investment & Trading Company Private Limited	23,88,973	16.72%	23,88,973	16.77%

NOTE 14A : PREFERENCE SHARE CAPITAL

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised 1,50,00,000 (March 31, 2019: 1,50,00,000) Non Convertible Redeemable Cumulative Preference Shares of ₹ 10 each*	1,500.00	1,500.00
	1,500.00	1,500.00

* Number of Shares are given in absolute numbers.

NOTE 15 : OTHER EQUITY

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Reserve	25.57	25.57
Securities Premium	1,367.16	1,277.63
Capital Restructuring	46.16	46.16
Amalgamation Reserve	913.04	913.04
Share Options Outstanding Account	208.98	151.51
General Reserve	4,882.91	4,882.91
Retained Earnings	14,964.10	14,438.53
	22,407.92	21,735.36

Note :

i) For Movement during the period in Other Equity, refer “Statement of Change in Equity”.

ii) **Nature and Purpose of Other Reserves**

a) **Capital Reserves**

Capital Reserve was carried forward under the previous GAAP from the books of amalgmating company at the time of Amalgamation.

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

b) **Security Premium**

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve will utilised in accordance with provisions of the Companies Act 2013.

c) **Capital Restructuring**

Capital Restructuring reserve was carried forward under the previous GAAP from the books of amalgmating company at the time of Amalgamation.

d) **Amalgamation Reserve**

Amalgamation reserve was created under the previous GAAP on the basis of scheme of amalgamation of Bell Ceramics Limited with the Company as approved by the High Court of Allahabad and Gujrat in the year ended March 31, 2012.

e) **Share Options Outstanding Account**

The Company has stock option schemes under which options to subscribe for the Company's shares have been granted to certain employees including key management personnel. The Share Options Outstanding Account is used to recognise the value of equity-settled share-based payments provided to employees, as part of their remuneration. The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

f) **General Reserve**

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

g) **Retained Earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. All the profits made by the Company are transferred to retained earnings from statement of profit and loss. However retained earnings includes ₹ 4,496.02 Lakh (March 31, 2019 : ₹ 4,340.04 Lakh) on account of amount transferred from revaluation reserve which is not available for distribution.

NOTE 16 : BORROWINGS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Secured Loans				
Term Loan				
From Banks				
Corporate loans	1,819.31	2,863.37	1,044.06	854.63
Vehicle loans	14.39	38.10	23.70	25.90
From Financial Institution				
Corporate loans	-	99.86	99.86	199.19
Vehicle loans	1.79	12.05	10.27	9.52
Cash Credit Facilities From Banks	-	-	602.42	4,301.76
Unsecured Loans				
Term Loan From:				
- Bank				
Corporate loans	-	-	-	193.53
- From Related Parties	1,500.00	1,500.00	-	-
	3,335.49	4,513.38	1,780.32	5,584.53
Less: Amount disclosed under the head "Other Financial Liabilities" (refer note 17)	-	-	1,177.90	1,282.77
	3,335.49	4,513.38	602.42	4,301.76

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

a) For Interest rate and Liquidity risk related disclosures, refer note 44.

b) **The Nature of Security for Term Loan are** :

i) The above Secured Loans, ₹ 3,013.38 Lakh (March 31, 2019: ₹ 4,102.63 Lakh) are secured by way of first pari passu charge on entire fixed assets excluding assets having specific charge, both present and future, and collaterally by way of second pari passu charge on the current assets of the Company. These pertains to various bankers and financial institution namely, Tata Capital Financial Services Ltd, ICICI Bank, IDFC Bank and Axis Bank.

ii) Vehicle loans are secured by way of hypothecation of respective vehicles with the various bankers and financial institution namely, Daimler Financial Services India Pvt Ltd, HDFC Bank, ICICI Bank and Axis Bank.

c) **The Nature of Security for Cash Credit Facility are** :

i) The Company has a consortium of Various bankers namely State Bank of India, Punjab National Bank, IDBI Bank, Indus Ind Bank, IDFC Bank and Axis Bank (hereafter called the "Consortium") for Non Current Borrowings (secured).

ii) The above Cash Credit facility of ₹ 602.42 Lakh (March 31, 2019: ₹4301.76 Lakh) are primarily secured by way of first pari passu charge on entire current assets of the Company and collaterally by way of second pari passu charge on the entire fixed assets excluding assets having specific charge, both present & future.

iii) These cash credit facility carries interest rate ranges from 8.50% to 11.75% per annum.

d) **Maturity Profile- Secured Term Loans**

(All amounts in ₹ lakhs, unless otherwise stated)

Maturity profile of Secured Term Loans is as set out below :	2020-21	2021-22	Beyond 2021-22
Term loan from Banks and Financial Institution are repayable in monthly/ quarterly/yearly installments	1,143.92	883.11	936.20
Vehicle loans from banks and Financial Institution are repayable in monthly installments	33.98	16.18	-

e) The term loan(s) carries rate of interest ranging between 7.49% to 12.10% per annum.

f) **In respect of unsecured loan** :

From Bank was secured against property of Promoter at Kolkata.

From related parties: This will be repaid after the payment of entire term loans of bank. Interest rate carries at the rate of 9.5%.p.a.

NOTE 17 : OTHER FINANCIAL LIABILITIES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long Term borrowings (Refer Note 16)	-	-	1,177.90	1,282.77
Trade Deposits (Refer note 'a' & 'b' below)	1,018.46	1,006.37	-	-
Earnest Money Received from Employees	34.36	29.41	0.54	0.54
Security From Employees	-	1.88	1.88	-
Interest Accrued but not due on Borrowings	-	-	36.83	14.50
Unpaid Dividends (Refer Note 'c' below)	-	-	10.16	11.99
	1,052.82	1,037.66	1,227.30	1,309.80

a) Trade deposits are repayable on cessation of business transaction with dealers. The trade deposits carry rate of interest @ 7% to 10% per annum.

b) Trade deposits are not in the nature of borrowings and hence are grouped under Other Financial Liabilities as at March 31, 2020 and March 31, 2019.

c) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2020 (March 31, 2019: Nil).

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

NOTE 18 : PROVISIONS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits				
Compensated Absenses (Refer Note 34)	153.41	233.43	42.51	53.82
Other Provisions				
Lease Equalisation Reserve	-	8.85	-	2.81
	153.41	**242.28**	**42.51**	**56.63**

NOTE 19: DEFERRED TAX LIABILITIES (NET)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Gross Deferred Tax Liabilities	2,369.40	3,097.00
Gross Deferred Tax Assets	(173.23)	(144.19)
Minimum Alternate Tax Credit Entitlement	-	(233.01)
	2,196.16	**2,719.81**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Compre-hensive Income	As At March 31, 2019
Deferred tax assets relates to the following:				
Provision for Employee Benefits	144.79	(8.25)	(34.26)	102.28
Lease equalisation reserve	3.28	0.79	-	4.07
Provision for Slow Moving of Inventories	7.04	10.63	-	17.67
Deferred Assets	0.43	0.41	-	0.84
Allowance for Expected Credit Loss	13.41	1.75	-	15.17
Others	0.20	3.97	-	4.16
	169.16	**9.29**	**(34.26)**	**144.19**
Deferred tax liability relates to the following:				
Property, plant and equipment	2,746.96	321.36	-	3,068.32
Borrowing (EIR)	**1.49**	**5.66**	**-**	**7.14**
Gratuity	-	21.54	-	21.54
Others	**0.76**	**(0.76)**	**-**	**-**
	2,749.20	**347.80**	**-**	**3,097.00**
Minimum Alternate Tax Credit Entitlement	60.29	172.72	-	233.01
Total deferred tax assets/(liabiities) (Net)	**2,519.75**	**165.79**	**34.26**	**2,719.81**

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

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at April 01, 2019	Adjusted against current tax	Recognised in statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As at March 31, 2020
Implementation of Ind AS 116: Leases (Refer Note 35) *	47.45	-	-	-	47.45
Deferred tax assets relates to the following:					
Provision for Employee Benefits	102.28	-	(31.00)	(21.97)	49.31
Lease equalisation reserve	4.07	-	(4.07)	-	-
Provision for Slow Moving of Inventories	17.67	-	(4.36)	-	13.31
Deferred Assets	0.84	-	(0.84)	-	-
Allowance for Expected Credit Loss	15.17	-	(9.83)	-	5.34
Right-of-use assets (ROU)	-	-	52.83	-	52.83
Others	4.16	-	0.83	-	4.99
	191.64	**-**	**3.56**	**(21.97)**	**173.23**
Deferred tax liability relates to the following:					
Property, plant and equipment	3,068.32	-	(845.53)	-	2,222.79
Borrowing (EIR)	7.14	-	(4.18)	-	2.96
Lease Liability (Refer Note 35)	-	-	100.78	-	100.78
Gratuity	21.54	-	21.33	-	42.87
	3,097.00	**-**	**(727.61)**	**-**	**2,369.40**
Minimum Alternate Tax Credit Entitlement	233.01	(127.71)	(105.30)	-	-
Total deferred tax assets/(liabiities) (Net)	**2,672.35**	**127.71**	**(625.87)**	**21.97**	**2,196.16**

* Impact on opening balance of ₹62.94 as on April 01, 2019 represents tax impact on retained earnings on implementation of Ind AS 116: Leases (Refer Note 35)

a) MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

b) The Government of India has issued the Taxation Laws (Amendment) Act, 2019, which provides domestic companies an option to pay corporate tax at reduced rates effective April 1, 2019 subject to certain conditions. The Company intends to opt for lower tax regime from assessment year 2021-22 and accordingly the impact has been considered in computing deferred tax. During the year, Company has utilized ₹127.70 Lakh Mat Credit Entitlement against payment of current tax for Assessment year 2020-21 and written of balance MAT Credit Entitlement of ₹126.23 Lakh as the benefit of MAT credit is not available to Companies which opts for lower corporate tax rate.

NOTE 20 : TRADE PAYABLE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
- Outstanding Dues to Micro and Small Enterprises	-	2.57
- Total Outstanding Dues to Parties Other than Micro and Small Enterprises	7,728.25	7,085.45
	7,728.25	**7,088.02**

a) Trade payables are non-interest bearing and are normally settled within 90-day terms except for SME's (if any) which are settled within 45 days.

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

b) Trade payables to related parties amounts to ₹1,344.19 Lakh as at March 31, 2020 (March 31, 2019 : ₹ 921.24 Lakh).

c) Trade payables includes ₹ NIL as at March 31, 2020 (March 31, 2019 : ₹ NIL) on account of acceptances.

d) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 & as certified by the management, the amount due to Micro, & small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
- The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	-	2.57
- The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
- The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
- The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
- The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

NOTE 21 : OTHER CURRENT LIABILITIES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues	289.59	801.74
Advance from Customers	424.83	464.53
	714.42	**1,266.27**

NOTE 22 : CURRENT TAX (ASSETS) / LIABILITIES (NET)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Income Tax {Net of Advance Tax ₹ 231.99 lakh (March 31, 2019 : ₹ 225.70 lakh)}	(47.34)	79.24
	(47.34)	**79.24**

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

NOTE 23 : REVENUE FROM OPERATIONS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of Product		
Finished Goods	30,762.41	36,935.29
Traded Goods	19,156.41	21,139.72
Revenue from Operations (Gross)	49,918.82	58,075.01
Less: Cash Discount and Other Scheme	(862.51)	(1,130.26)
	49,056.31	56,944.75
Other Operating Revenues		
Export Incentive	0.31	-
Miscellaneous Sale	84.24	71.59
Insurance Claim (Net)	87.76	97.56
Revenue from operations (Net)	**49,228.62**	**57,113.90**

a) **Performance Obligation**

Revenue is recognised upon transfer of control of products to the customers.

During the year, the Company has not entered into long term contracts with customers and accordingly disclsoure of unsatisfied or remaining performance obligation (which is affected by several factors like changes in scope of contracts, periodic revalidations, adjustment for revenue that has not been materialized, tax laws etc.) is not applicable to the Company.

b) **Disaggregation of Revenue:** The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread of the operations of the Company. The Company believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
- Within India	48,312.41	55,979.11
- Outside India	743.90	965.64
	49,056.31	**56,944.75**

c) **Reconciliation of Revenue from operations with contracted price**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Contracted Price (Net of Sale return)	49,918.82	58,075.01
Less: Discounts and Other Schemes	862.51	1,130.26
	49,056.31	**56,944.75**

d) **Trade Receivables and Contract Balances**

For Trade Receivables, refer Note No. 11.

Further, the Company has no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;

- it does not adjust any of the transaction prices for the time value of money, and

- there is no unbilled revenue as at March 31, 2020.

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

NOTE 24 : OTHER INCOME

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income		
- On Fixed deposits	18.24	24.18
- Others	20.33	16.12
Government Grant (Refer Note "a" below)	60.18	-
Depreciation written back on capital subsidy (refer foot note of note 4)	0.40	-
Bad debts written off earlier now realized	138.75	43.44
Excess liability written back	120.57	39.66
Provision for compensated absences written back (Refer Note 34)	54.77	-
Allowances for doubtful debts written back	22.19	-
Profit on sale of property, plant and equipment	-	51.65
Unwinding of discount on deposits	6.23	5.85
Miscellaneous Income	83.20	12.61
	524.86	**193.51**

a) The Company had made fixed capital investment in MF 4 project of ₹5725.75 Lakh in 2018-19 at its plant located at Sikandrabad. For this project the Company is eligible for certain incentive under Pradeshiya Industrial & Investment Corporation Scheme ('PICUP') as per Rules issued by Industrial Investment and employment promotion policy of Uttar Pradesh 2017 (IIEPP -2017 Rules). Under this Scheme, during the year, Company has received Letter of Comfort ('LOC') dated 17.01.2020 from The Pradeshiya Industrial & Investment Corporation of UP Ltd. and has been granted status of 'Large scale unit' under IIEPP – 2017.

As per LOC, the Company has been granted following benefits:

- Reimbursement of net SGST component of GST amount deposited by the company as per para 3.2 of the IIEPP -2017 Rules
- Capital Interest subsidy (@5% or actual whichever is lower) as per 3.5.1 of the IIEPP -2017 Rules
- Reimbursement of disallowed input tax credit as per para 3.5.7 of the IIEPP -2017 Rules.

The Company has paid total interest on loan taken from bank for this project upto March 31, 2020 is ₹ 391.24 Lakh (including interest ₹ 142.18 Lakh paid for the period Sept'18 to March 19). Out of total interest paid, interest of ₹ 14.82 Lakh has been capitalized as per Ind AS 23 and balance have been charged to the Statement of Profit and Loss. Company has reasonable assurance that it will comply with all the conditions as mentioned in the LOC and IIEPP-2017 Rules and is also certain that it will receive the grant. Based on above assurance and based on an expert opinion, Company has accounted for interest subsidy of ₹ 75.00 Lakh (including interest subsidy of ₹ 14.82 Lakh has been adjusted against related assets) only and has not account for balance interest subsidy and GST reimbursement as are available to the Company under PICUP pending final calculation.

NOTE 25 : COST OF RAW MATERIAL CONSUMED

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Material		
Balance at the beginning of the Year	697.90	1,405.71
Add:- Purchases during the year	7,176.18	8,227.97
Less:- Balance at the end of the Year	743.94	697.90
Raw Material Consumption	**7,130.14**	**8,935.78**

NOTE 26 : PURCHASE OF STOCK IN TRADE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Stock In Trade	16,355.61	17,327.73
	16,355.61	**17,327.73**

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

NOTE 27 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the beginning of the year			
Work-in-progress		91.90	76.50
Finished Goods		6,124.50	5,595.79
Stock-in Trade		193.27	145.13
	(A)	**6,409.67**	**5,817.42**
Inventories at the end of the year			
Work-in-progress		167.15	91.90
Finished Goods		5,908.36	6,124.50
Stock-inTrade		190.05	193.27
	(B)	**6,265.57**	**6,409.67**
(Increase) / Decrease in Inventory	(A-B)	**144.10**	**(592.25)**

NOTE 28 : EMPLOYEE BENEFITS EXPENSES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, Wages & Bonus	6,677.19	6,756.45
Compensated Absences*	-	36.74
Contribution to Provident and Other fund*	215.98	246.65
Expense on employee stock option schemes**	151.71	113.09
Gratuity Expense*	83.10	124.56
Staff Welfare Expenses	227.18	287.16
	7,355.16	**7,564.65**

* Refer Note 34
** Refer Note 41

NOTE 29 : FINANCE COST

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Expense		
- On Term loans	350.89	309.87
- On Lease Liability	97.77	-
- On Cash Credit & Working Capital Facilities	90.28	313.82
- Delayed Payment of Advance Taxes	3.45	4.25
- Others	174.96	174.30
Letter of Credit Charges	24.47	19.33
Charges for Borrowing Facilities	67.44	49.30
	809.26	**870.87**

NOTE 30 : DEPRECIATION AND AMORTIZATION EXPENSE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of Tangible Assets	1,829.23	1,645.54
Amortization of Intangible Assets	6.42	6.59
Amortization of Right-of-use assets	222.94	-
	2,058.58	1,652.13

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

NOTE 31 : OTHER EXPENSES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Stores & Spares consumed	970.28	1,412.43
Packing Material Consumed	1,395.21	2,098.85
Gas & fuel	6,848.37	8,746.04
Electricity	1,818.14	1,907.25
Rent (Refer Note '35')	53.02	387.03
Hire Charges	393.06	457.27
Rates & Taxes	41.81	39.47
Insurance	30.83	34.83
Repair & Maintenance		
Plant & Machinery	181.26	223.13
Buildings	60.31	66.62
Other	173.42	158.80
Designing & Processing	17.96	19.99
Freight & Forwarding Charges	576.35	887.14
Advertisement and Sales Promotion	1,632.80	1,963.72
Legal & Professional Expenses	140.79	212.57
Travelling & Conveyance	779.95	907.79
Communication Costs	61.54	75.42
Printing & Stationery	44.70	50.47
Bank charges	1.83	2.48
Payment to the Auditors (Refer note 'a' below)	28.43	23.51
Exchange Fluctuation (Net)	1.39	28.91
Bad debts written off	-	8.40
Provision for Slow Moving of Inventories- Finished Goods	2.32	30.21
Allowances for doubtful debts	-	12.20
Loss on sale of property, plant and equipment	11.10	-
Property, plant and equipment written off	12.69	-
Corporate Social Responsibility (Refer note 'b' below)	45.00	44.87
Miscellaneous Expenses	315.09	377.77
Total	**15,637.66**	**20,177.17**

a) **Details of payment made to auditors is as follows:**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditor:		
- Statutory Audit Fee	20.00	15.75
- Other Services	7.50	6.43
- Reimbursement of Expenses	0.93	1.33
	28.43	**23.51**

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

b) The Company has spent ₹ 45.00 Lakh (March 31, 2019 : ₹ 44.87 Lakh) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. The details are as follows:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits of last three years)	43.58	44.84
(ii) Amount spent during the year		
i) Construction/acquisitions of any asset	-	-
ii) For purposes other than (i) above		
a) Paid to Godavari Foundation	30.12	42.25
b) Activities for Ensuring Environmental Sustainability and others	14.88	2.62
	45.00	**44.87**

(iii) Above includes a contribution of ₹ 30.12 Lakh (March 31, 2019: ₹ 42.25 lakh) to an entity (Godavari Foundation) over which KMP has significant influence and which is an entity registered under section 12A of the Income Tax Act 1961, with the main objectives of working in the areas of social, economic and environmental issues such as rural development programme, granting aid to Institutions, school, colleges etc for Orphan Children and for poor students/people for their education and social welfare and establishing and maintaining schools, tube well for general public and also engaged in women empowerment by enhancing their means and capabilities to meet the emerging opportunities.

NOTE 32 : INCOME TAX

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

STATEMENT OF PROFIT AND LOSS:

Profit or loss section

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Tax Expense:		
a) Current tax	184.65	302.55
b) Mat Credit Entitlement *	(20.93)	(172.72)
c) Adjustments in respect of current income tax of previous year	21.60	13.42
d) Mat Credit Entitlement written off (Refer Note 19(b))	126.23	-
e) Deferred tax	(731.17)	338.51
Income tax expense reported in the statement of profit or loss	**(419.62)**	**481.76**

* Current year figure represents adjustment made to mat credit entitlement which is related to earlier years on account of actualisation of same with income tax return for assessment year 2019-20.

OCI section

Deferred tax related to items recognised in OCI during the year:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Net loss/(gain) on remeasurements of defined benefit plans	(21.97)	(34.26)
Net amount charged to OCI	**(21.97)**	**(34.26)**

Other Equity section

Deferred tax related to items recognised in Retained Earnings:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Implementation of Ind AS 116: Leases	47.45	-
Net amount charged to Other Equity	**47.45**	-

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

Reconciliation of tax expense and the accounting Profit multiplied by India's Domestic tax rate for March 31, 2020 and March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Accounting profit before income tax	**262.97**	**1,371.33**
At India's statutory income tax rate of 33.384% (March 31, 2019: 34.944%)	87.79	479.20
Adjustments in respect of current income tax of previous years	0.67	13.42
Tax Effect of Expenses not deductable for tax purposes	16.17	44.16
Effect of change in tax rate (Refer Note 19)	(649.59)	-
Mat Credit Entitlement written off	126.23	-
Deferred Tax on Freehold Land	(26.38)	(24.55)
Others	-	3.80
At the effective income tax rate	**(445.11)**	**516.03**
Income tax expense reported in the Statement of Profit and Loss	**(445.11)**	**516.03**
Difference	**-**	**-**

NOTE 33 : EARNINGS PER SHARE (EPS)

Earning per share (EPS) is determined based on the net profit attributable to the shareholder before other comprehensive Income. Basic earning per share is computed using the weighted average number of equity shares outstanding during the year whereas Diluted Earning per share is computed using the weighted average number of common and dilutive equivalent shares including Employee Stock Options except for the case where the result becomes anti- dilutive.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to the equity holders		682.59	889.57
Weighted average number of equity shares for Basic EPS	(A)	1,42,73,357	1,42,47,809
Basic earnings per share (in ₹) (face value ₹ 10 per share)		**4.78**	**6.24**
Weighted average number of potential equity shares on account of employee stock options	(B)	1,42,992	1,22,499
Weighted average number of Equity shares (including dilutive shares) outstanding for Dilutive EPS	(A+B)	1,44,16,349	1,43,70,308
Diluted earnings per share (in ₹) (face value ₹ 10 per share)		**4.73**	**6.20**

a) For the year ended March 31,2020 and March 31,2019, the dilution is considered on account of non vested ordinary shares under Employee stock Option Scheme 2018 in accordance with Para 48 of Ind AS 33.

NOTE 34 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

a) **Defined Contribution Plans**

The Company makes contribution towards Employees Provident Fund and Employee's State Insurance scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognised the following amount in the Statement of profit and loss account under company's contribution to defined contribution plan.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's Contribution to Provident Fund and other Fund	207.75	224.60
Employer's Contribution to Employee State Insurance	8.23	22.05
Total	**215.98**	**246.65**

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

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) **Defined Benefit Plans**

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation. This method is used in following cases:-

i) **Gratuity Scheme**

The Company has defined benefit gratuity plan. Gratuity is calculated as 15 days salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination/ resignation. The benefit vests on completing 5 years of service by the employee. The Company makes provision of such gratuity asset/ Liability in the books of accounts on the basis of acturial valuation as per projected unit credit method; net with annual contribution made by Company to insurer to provide gratuity benefits by taking scheme of insurance.

ii) **Compensated Absences**

The Company operates compensated absences plan wherein all permanent employees of the Company are entitled to the benefit equivalent to 21 days leave salary for every completed year of service subject to maximum 50 accumulations of leaves except in case of Dora Workers/SKD Workers where maximum accumulation is 60/30 days respectively. The salary for calculation of earned leave is last drawn salary. The same is payable during service, on retirement, withdrawal of scheme, resignation by employee and upon death / disability of employee.

c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences). These have been provided on accrual basis, based on year end actuarial valuation.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Change in Benefit Obligation				
1. Opening Defined Benefit Obligation	911.45	287.25	965.36	307.84
2. Interest cost	66.53	20.97	70.47	22.47
3. Current service cost	78.84	50.63	119.69	59.07
4. Past Service cost	-	-	-	-
5. Benefits paid	(127.24)	(36.55)	(159.60)	(57.33)
6. Actuarial (gain) / loss on obligation	(122.26)	(126.38)	(84.47)	(44.80)
Present value of obligation as at the end of the year	**807.32**	**195.92**	**911.45**	**287.25**

d) **The Following Tables summarise the Net Benefit Expense Recognised in the Statement of Profit or Loss :**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Service cost	78.84	50.63	119.69	59.07
Net Interest cost	4.26	20.97	4.87	22.47
Remeasurements	-	(126.38)	-	(44.80)
Net cost	**83.10**	**(54.77)**	**124.56**	**36.74**

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

e) Changes in the Fair Value of the Plan Assets are as Follows:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020		AFor the year ended March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	973.09	-	898.68	-
Expected Return on Plan Assets	62.27	-	65.60	-
Employer's Contribution	-	-	-	-
Benefits paid	(22.72)	-	(4.77)	-
Actuarial gains / (losses) on the Plan Assets	(34.97)	-	13.58	-
Fair Value of Plan Assets at the End	**977.67**	-	**973.09**	-

f) Detail of Actuarial (Gain)/loss Recognised in OCI is as Follows:

Gratuity (Funded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
1) Amount recognised in OCI, (Gain) / Loss Beginning of period	(34.03)	64.02
2) **Remeasurement Due to:**		
Effect of Change in Financial Assumptions	(125.54)	34.03
Effect of Change in Demographic Assumption	(0.07)	(29.13)
Effect of Experience Adjustment	3.36	(89.37)
(Gain)/Loss on Curtailments/Settlements	-	-
Return on Plan Assets (Excluding Interest)	34.97	(13.58)
Changes in Asset Ceiling	-	-
Total amount recognised in OCI (Gain)/Loss, End of Period	**(121.31)**	**(34.03)**

g) Principal actuarial assumptions at the balance sheet date are as follows:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2020		As At March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Economic assumptions				
1 Discount rate	6.40%	6.40%	7.30%	7.30%
2 Rate of Increase in Compensation Levels	5.00%	5.00%	8.50%	8.50%
3 Expected Rate of Return on Assets	6.40%	N.A.	7.30%	N.A.
Demographic assumptions				
1 Retirement Age (years)	58/60	58/60	58/60	58/60
2 Mortality Table	Indian Assured Lives Mortality (2012-14) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate	
Employee Turnover / Attrition Rate				
1 Ages up to 30 Years	10.00%	10.00%	10.00%	10.00%
2 Ages from 30-45 years	10.00%	10.00%	10.00%	10.00%
3 Above 45 years	10.00%	10.00%	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2020		As At March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Present value of Defined Benefit Obligation	807.32	195.92	911.45	287.25
Fair value of plan assets	977.67	-	973.09	-
Net Defined Benefit (assets) / liability	**(170.34)**	**195.92**	**(61.64)**	**287.25**

i) A Quantitative Sensitivity Analysis for Significant Assumption is as Shown Below:

Gratuity (Funded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
A. Discount rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Discount Rate	(39.89)	(48.75)
Effect on Defined Benefit Obligation due to 100 basis points decrease in Discount Rate	46.20	52.62
B. Salary escalation rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Salary Escalation Rate	46.38	51.48
Effect on Defined Benefit Obligation due to 100 basis points decrease in Salary Escalation Rate	(40.79)	(48.66)

Leave Encashment (Unfunded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
A. Discount rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Discount Rate	(11.59)	(17.88)
Effect on Defined Benefit Obligation due to 100 basis points decrease in Discount Rate	13.11	20.21
B. Salary escalation rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Salary Escalation Rate	13.16	19.78
Effect on Defined Benefit Obligation due to 100 basis points decrease in Salary Escalation Rate	(11.84)	(17.84)

The Sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

j) Risk

Salary Increases	Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount Rate	Reduction in discount rate in subsequent valuations can increase the liability.
Mortality and disability	Actual details and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.

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

C. Maturity Profile of Defined Benefit Obligation is as Follows:

Gratuity (Funded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Within the next 12 months (next annual reporting period)	194.16	196.82
Between 2 and 5 years	476.79	528.16
Between 6 and 10 years	992.52	1,020.01

NOTE 35 : LEASES

Until March 31, 2019, the Company recognized leases in accordance with Ind AS 17. A lease was defined as an agreement whereby the lessor conveys to the lessee in return for a series of payments the right to use an asset for an agreed period of time. The lessor and lessee accounted for the lease on the basis of the distribution of the risks and rewards associated with the leased asset.

In so far as all the substantial risks and rewards were transferred to the Company as lessee, the respective leased assets were capitalized at fair value or the lower present value of the minimum lease payments and depreciated using the straight-line method on the basis of the useful life of the underlying asset or the lease term, if this was shorter. The payment obligations resulting from future lease payments were discounted and recognized as a liability.

Where the Company was the lessee in operating leases, in other words, if not all material risks and rewards were transferred, the lease or rental payments were recognized directly as expenses in the statement of Profit and Loss.

Since April 1, 2019, the Company has recognized leases in accordance with Ind AS 116. This defines a lease as a contract, or part of a contract, whereby the lessor conveys to the lessee the right to use an asset for an agreed period of time in exchange for consideration.

Transition approach and use of practical expedients

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and has applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

Company as a lessee

Operating Leases

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of ₹1,010.12 lakh and a corresponding lease liability of ₹1,197.28 lakh has been recognized. The cumulative effect on transition in retained earnings is ₹ 141.09 lakh (net of deferred tax of ₹ 47.45 lakh) (for detail please refer note below). The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 9.00% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

Some practical expedients permitted by the standard are used, notably:

- To not reassess upon transition whether an existing contract contains a lease. The definition of a lease under Ind AS 116 has been applied only to contracts entered into or changed on or after April 01, 2019.
- For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset
- The recognition exemptions for short-term leases and leases of low-value assets.
- To apply Ind AS 37 for onerous leases instead of performing an impairment review.

Presentational changes: As a result of implementing Ind AS 116, the Company has made a some presentational changes in 2019-2020, notably to present 'Right-of-use assets' as a separate line item in the balance sheet and to include lease liabilities in other current and non-current liabilities.

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

Transition impact of Ind AS 116 on Company's balance sheet

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	Application of Ind AS 116	Revised As At April 01, 2019
Right-of-use assets	-	1,010.12	1,010.12
Other Non Current Assets	8.83	(8.83)	-
Other Current Assets	4.21	(4.21)	-
Total Assets	**45,775.06**	**997.08**	**46,772.14**
Equity Share Capital	1,424.86	-	1,424.86
Other Equity	21,735.36	(141.09)	21,594.26
Deferred Tax Liabilities (Net)	-	(47.45)	(47.45)
Lease Liabilities	-	1,197.28	1,197.28
Non Current Provisions	8.85	(8.85)	-
Current Provisions	2.81	(2.81)	-
Total Equity and Liabilities	**45,775.06**	**997.08**	**46,772.14**

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

(All amounts in ₹ lakhs, unless otherwise stated)

Right-of-use assets: movements in carrying value of assets	Buildings
Gross Block as at March 31, 2019	-
Cumulative catch-up for previously reported operating leases on implementation of IND AS 116	1,010.12
Gross Block as at April 01, 2019	**1,010.12**
Add: Additions during the year	-
Less: Disposals / adjustments during the year	-
Gross Block As at March 31, 2020	**1,010.12**
Accumulated Depreciation :	
As at April 01, 2019	-
Add: Depreciation charge for the year	222.94
Less: Disposals/adjustments during the year	-
As at March 31, 2020	**222.94**
Net Block :	
As at March 31, 2020	**787.19**

In 2019-20, there were no impairment charges recorded for right-of-use assets.

(All amounts in ₹ lakhs, unless otherwise stated)

Leases: movements in carrying value of recognised liabilities	
As At April 01, 2019	-
Cumulative catch-up for previously reported operating leases on implementation of Ind AS 116	1,197.28
As At April 01, 2019 (Revised)	**1,197.28**
Interest expense on lease liabilities	97.77
Repayment of lease liabilities	**292.65**
As At March 31, 2020	**1,002.40**
Non-current lease liabilities	(785.22)
Current lease liabilities	(217.18)
Total lease liabilities	**(1,002.40)**

The maturity analysis of lease liabilities is given in Note 44 in the 'Liquidity risk' section.

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

Leases: Cash Flows

Included in cash flows from operating activities is ₹ 53.02 lakh and Included in cash flows from financing activities ₹ 292.65 lakh.

Cash flows from operating activities include cash flows from short-term lease and leases of low-value assets. Cash flows from financing activities include the payment of interest and the principal portion of lease liabilities.

Leases committed and not yet commenced: There are no leases committed which have not yet commenced as on reporting date.

Company as a Lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Company does not have any significant impact on account of sub-lease on the application of this standard.

The Company has given its building space, lying under property, plant and equipments, on operating lease through operating lease arrangements. Income from operating leases is recognised as revenue on a straight-line basis over the lease term.

Lease income of ₹ 0.98 Lakh (March 31, 2019: ₹ 1.34 Lakh) has been recognised and included under revenue from operations.

NOTE 36 : CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR) AND COMMITMENTS

(i) Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the financial statements, amounts to ₹ 40.75 Lakh (March 31, 2019: ₹ 41.54 Lakh). The Company does not have any other long term commitments or material non-cancellable Contractual Commitments, which may have a material impact on the standalone financial statements.

(ii) Contingent Liabilities

a) The Company has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the Company to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the Company has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).

The Company does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Company. Also, the Company does not expect any reimbursements in respect of the below contingent liabilities.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
i) Claims against Company not acknowledged as debt	1,770.35	1,975.01
- Interest on above	968.14	784.01
ii) **Other money for which the Company is contingently liable**		
Disputed liability under Income Tax	5.22	373.81
Disputed liability under Sales Tax	864.69	294.86
- interest on Sales Tax dispute	5.02	13.73
Disputed liability under Excise/Custom/Service Tax	96.18	102.69
b) Bank Guarantee (Net of Margins)	77.57	131.03

c) The Company has not made the provision of bonus for the F.Y. 2014-15 on account of retrospective amendment made by The Payment of Bonus (Amendment) Act , 2015 keeping in view the diposal of writ petition vide order no. WP(C) NO. 3024/2016 (C) dated 27th January 2016 passed by the Hon'ble Kerala High Court.

d) The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952.

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

NOTE 37 : CAPITAL MANAGEMENT

The Company's objective for managing capital is to ensure:

- ability to continue as a going concern, so that the Company can continue to provide returns to shareholders and benefits for other stakeholders, and
- maintain optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital structure using Gearing Ratio, which is calculated as under:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		As at March 31, 2020	As at March 31, 2019
Borrowings		5,115.80	10,097.91
Less: Cash and Bank Balance		(298.62)	(354.92)
Adjusted Net Debt	(A)	**4,817.18**	**9,742.99**
Equity Share Capital		1,428.41	1,424.86
Other Equity		22,407.92	21,735.36
Total Capital	(B)	**23,836.33**	**23,160.21**
Net Debt and Capital	(C= A+B)	**28,653.51**	**32,903.20**
Gearing ratio		**0.17**	**0.30**

a) No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

b) For the purpose of capital management, capital includes issued equity capital and all other reserves attributable to the equity holders of the Company.

NOTE 38 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

The Company does not have any long term contracts including derivative Contracts for which there are any material forseeable losses. The amount of foreign currency exposure that are not hedged by derivative instruments or otherwise are as under -

Particulars	As At March 31, 2020		As At March 31, 2019	
	Foreign Currency (in Lakh)	Amount in INR (Lakh)	Foreign Currency (In Lakh)	Amount in INR (Lakh)
Import of Raw Material and Stores				
Euro	0.45	37.75	0.07	5.63
US $	0.002	0.15	0.005	0.34

NOTE 39 : SEGMENT INFORMATION

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. In Orient Bell Limited, the decision makers view the operating results internal division wise (Ceramic, Vitrified Polished). Accordingly, such segments may be presented under Ind AS 108. However, these segments have been aggregated because the core principles, economic characteristics, nature of products, production process, distribution method, regulatory environment and type of customers in all the divisions are similar. Hence the disclosure requirement of Ind AS 108 of "Segment Reporting" is not considered applicable. Further the Company sells its prducts mostly within India with insignificant export income and does not have any operation in economic enviroment with different risk and returns, hence its considered operating in single geographical segment.

Major Customer: No single customers contributed 10% or more to the Company's revenue for both March 31, 2020 and March 31, 2019.

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

NOTE 40 : RELATED PARTY DISCLOSURE

a) List of related parties

Name of Related Party	
Proton Granito Private Limited	Associate Company
Corial Ceramic Private Limited	Associate Company
Mahendra K. Daga - HUF	Entity over which KMP exercise Control and/or Significant Influence
Goodteam Investment & Trading Co. Private Limited	Enterprise over which KMP exercise Control and/ or Significant Influence
Freesia Investment and Trading Co. Limited	
Alfa Mercantile Limited	
Morning Glory Leasing & Finance Limited	
Iris Designs Private Limited	
Freesia Farms Pvt Limited	
Elit Tile Solutions Pvt Limited	
Mithleash Infrastructure Pvt Limited	
Orchid Farmscapes Pvt Limited	
Godavari Foundation	
Mahendra K. Daga, Chairman and Whole Time Director	Key Managerial Personnel
Madhur Daga, Managing Director (MD)	
Kashinath Martu Pai, Director	
Yogesh Mendiratta, Company Secretary (CS)	
Aditya Gupta (CEO)	
Himanshu Jindal (CFO) (From December 2018)	
Sarla Daga w/o Mahendra Kumar Daga	Relative of Key Managerial Personnel
Roma Monisha Sakraney Daga w/o Madhur Daga	Relative of Key Managerial Personnel

b) Transactions with related parties (Including bifurcation of material transaction)

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Relationship	Nature of Transaction	For the Year ended March 31,2020	For the Year ended March 31, 2019
Mr. Mahendra K. Daga	Key Managerial Personnel	Interest Payments	78.88	78.66
		Managerial & KMP Remuneration	168.87	204.25
		Rent Paid	12.00	12.00
Mrs. Sarla Daga	Relative of Key Managerial Personnel	Interest Payments	38.58	38.47
		Rent Paid	0.24	0.24
M/s Mahendra K. Daga - HUF	Entity owned or significantly influenced by KMP or their relatives	Interest Payments	21.43	21.37
Freesia Investment and Trading Co. Limited	Enterprise owned or significantly influenced by KMP or their relatives	Rent Paid	71.19	67.80
Mr. Madhur Daga	Key Managerial Personnel	Managerial Remuneration (including post employment benefit and short term employee benefits)	97.76	117.97
Mr. K.M.Pai	Key Managerial Personnel		-	90.35
Mr. Aditya Gupta	Key Managerial Personnel		252.11	228.99
Mr. Himanshu Jindal	Key Managerial Personnel		76.26	31.23
Mr. Yogesh Mendiratta	Key Managerial Personnel		22.48	20.76

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

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Relationship	Nature of Transaction	For the Year ended March 31,2020	For the Year ended March 31, 2019
Mrs. Roma Monisha Sakraney Daga w/o Madhur Daga	Relative of Key Managerial Personnel	Interest Payments	4.00	3.99
Proton Granito Private Limited	Associate Company	Purchase of Goods	7,661.31	8,253.85
		Sale of Goods	13.85	3.78
Corial Ceramic Private Limited	Associate Company	Purchase of Goods	2,483.77	2,214.12
		Sale of Goods	5.61	-
		Re-imbursement of expenses	19.50	-
Godavari Foundation	Enterprise owned or significantly influenced by KMP or their relatives	Donation	30.12	42.25
		Sale of Goods	29.71	-

c) Year end balances of related parties

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Nature of Balance	As At March 31, 2020	As At March 31, 2019
Mahendra K. Daga - HUF	Unsecured Loan Payable	225.00	225.00
Mahendra K. Daga	Unsecured Loan Payable	828.00	828.00
Sarla Daga	Unsecured Loan Payable	405.00	405.00
Roma Monisha Sakraney Daga w/o Madhur Daga	Unsecured Loan Payable	42.00	42.00
Freesia Investment and Trading Co. Limited	Security Deposit Given	10.00	10.00
Proton Granito Private Limited	Trade Payables (Net)	1,007.48	446.19
	Investment outstanding	312.00	312.00
Corial Ceramic Private Limited	Trade Payables (Net)	336.71	475.05
	Investment outstanding	260.00	260.00

d) Other Transaction

The Company has taken Unsecured loan from Bank against the collateral security on the immovable property of Mr. Mahendra K. Daga (Key Managerial Personnel).

e) Terms and conditions of transactions with related parties

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and carried interest rate. The unsecured loan from bank are secured against the property of Key Managerial Personnel. No expenses has been recognized in the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.

f) The remuneration of Key Managerial Personnel does not include amount in respect of Gratuity and Leave Encashment payable as the same are not determinable as individual basis for the KMP. The aforesaid liabilities of Gratuity and Leave Encashment are provided for company as whole.

g) Disclosure in respect of Share Based Payments to related party- Refer Note No-41.

NOTE 41 : SHARE BASED PAYMENTS

Description of shares based payments arrangements

a) Movement during the year

(All amounts in ₹ lakhs, unless otherwise stated)

Scheme	Year	Outstanding at the beginning of the year	Granted during the year	Forfeited/ expired during the year	Exercised during the year	Exercisable at the end of the year	Outstanding at the end of the year
Orient Bell Employees Stock Options Scheme, 2018	2018	1,71,000	24,000	3,000	**35,500**	-	**1,56,500**

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

b) The members of the Company had approved 'Orient Bell Employee Stock Option Scheme 2018'. The plan envisaged grant of share options to eligible employees at market price as defined in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Each Employee Stock Option vested in an Employee under the Scheme entitles the holder thereof to apply for and be allotted one equity share of the Company of ₹ 10 each upon exercise thereof. The Exercise price is ₹ 10. The exercise period commences from the date of vesting in respect of options granted under the Scheme and ends upon the expiry of three years from the date of each vesting.

c) The maximum number of shares allocated for allotment under 2018 Share Schemes is 2,00,000 (two lakh) equity shares of ₹ 10 each. The schemes are monitored and supervised by the Compensation Committee of the Board of Directors in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time.

The expense recognised for employee services is shown in the following table:

Particulars	As at March 31, 2020	As at March 31, 2019
Expense arising from equity-settled share-based payment transactions (at fair value)	151.71	113.09
Expense arising from cash-settled share-based payment transactions	-	-
Total expense arising from share-based payment transactions	**151.71**	**113.09**

d) The details of Employee Stock Option Scheme 2018 are as under:-

(All amounts in ₹)

Scheme	Year	Date of Grant	Number of Options Granted	Vesting Date	Exercise period	Exercise price per share	Weighted Average Exercise price per share
Orient Bell Employees Stock Options Scheme, 2018	2018	17/04/2018	12,500	17/04/2019	3 years from date of vesting	10.00	10.00
		17/04/2018	12,500	17/04/2020		10.00	10.00
		17/04/2018	12,500	17/04/2021		10.00	10.00
		17/04/2018	12,500	17/04/2022		10.00	10.00
		29/06/2018	11,000	29/06/2019		10.00	10.00
		29/06/2018	19,000	29/06/2020		10.00	10.00
		29/06/2018	15,000	29/06/2021		10.00	10.00
		09/08/2018	11,000	09/08/2019		10.00	10.00
		09/08/2018	21,000	09/08/2020		10.00	10.00
		09/08/2018	21,000	09/08/2021		10.00	10.00
		13/11/2018	5,000	13/11/2020		10.00	10.00
		28/12/2018	4,000	28/12/2019		10.00	10.00
		28/12/2018	6,000	28/12/2020		10.00	10.00
		28/12/2018	8,000	28/12/2021		10.00	10.00
		09/08/2019	3,000	09/08/2020		10.00	10.00
		09/08/2019	4,000	09/08/2021		10.00	10.00
		09/08/2019	5,000	09/08/2022		10.00	10.00
		08/01/2020	3,000	08/01/2021		10.00	10.00
		08/01/2020	4,000	08/012022		10.00	10.00
		08/01/2020	5,000	08/01/2023		10.00	10.00

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

e) The fair value has been calculated using the Black-Scholes option pricing model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows :

Particulars	ESOP Scheme 2018						
	17-04-2018	29-06-2018	09-08-2018	13-11-2018	28-12-2018	09-08-2019	08-01-2020
Weighted Average Risk-Free Interest Rate	7.2%	7.89%	7.77%	7.58%	7.20%	6.09%	6.31%
Weighted Average Expected Life of Options	2.50 Years	2.50 Years	2.50 Years	3.50 Years	2.50 Years	2.50 Years	2.50 Years
Weighted Average Expected Volatility	49.65%	49.65%	49.65%	51.06%	49.65%	49.97%	47.58%
Weighted Average Expected Dividend Yield of the Options	-	-	-	-	-	0.30%	0.30%
Weighted Average Share Price (in ₹)	293.15	249.95	253.15	180.50	181.20	120.65	136.00
Weighted Average Exercise Price (in ₹)	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Method Used to Determine Expected Volatility	Expected voltatility is based on the share price taken from NSE for the latest historical period as per time to maturity.						

NOTE 42 : FAIR VALUES DISCLOSURE

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments. Here the disclosure is made for non-current financial assets and non-current financial liabilities, carrying value of current financial assets and current financial liabilities including trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables, current borrowing, other current financial liabilities etc. which represent the best estimate of fair value.

The management assessed that fair value of these short term financial assets and liabilities significantly approximate their carrying amount largely due to short term maturities of these instruments.

a) Fair Value of Financial Assets: (All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Carrying Values		Fair Values	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial Assets Measured at Amortised Cost				
Investments	572.00	572.00	572.00	572.00
Trade Receivables	8,692.58	11,621.49	8,692.58	11,621.49
Security deposits	327.34	320.08	327.34	320.08
Deposits with original maturity of more than 12 months	-	3.65	-	3.65
Cash and Cash Equivalents	11.46	10.65	11.46	10.65
Bank balance other than Cash and cash equivalent	287.16	344.27	287.16	344.27
Interest Accrued on Securities Deposits	13.86	19.06	13.86	19.06
Interest Accrued on Fixed Deposits	2.23	3.10	2.23	3.10
	9,906.63	12,894.31	9,906.63	12,894.31

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

b) Fair Value of Financial Liabilities:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Carrying Values		Fair Values	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial Liabilties Measured at Amortised Cost				
Borrowings	5,115.80	10,097.91	5,115.80	10,097.91
Lease Liabilities	1,002.40	-	1,002.40	-
Trade Payables	7,728.25	7,088.02	7,728.25	7,088.02
Trade Deposits	1,018.46	1,006.37	1,018.46	1,006.37
Earnest Money Received from Employees	34.90	29.95	34.90	29.95
Security From Employees	1.88	1.88	1.88	1.88
Interest Accrued but not due on Borrowings	36.83	14.50	36.83	14.50
Unpaid Dividends	10.16	11.99	10.16	11.99
	14,948.68	**18,250.63**	**14,948.68**	**18,250.63**

c) Discount Rate Used in Determining Fair Value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

a) Fair value for security deposits (other than perpetual security deposits) has been presented based on the discounting factor as at the reporting date. Fair value for all other non-current assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.

b) For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

NOTE 43 : FAIR VALUE HIERARCHY

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurement as a whole.

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

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company’s assets and liabilities.

a) Quantitative Disclosures Fair Value Measurement Hierarchy For Financial Assets as at March 31, 2020:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	Amorised Cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured at Amortised Cost					
Investments	572.00	572.00	-	-	-
Trade Receivables	8,692.58	8,692.58	-	-	-
Security deposits	327.34	327.34	-	-	-
Cash and Cash Equivalents	11.46	11.46	-	-	-
Bank balance other than Cash and cash equivalent	287.16	287.16	-	-	-
Interest accrued on Security Deposits	13.86	13.86	-	-	-
Interest accrued on Fixed Deposits	2.23	2.23	-	-	-
	9,906.63	**9,906.63**	-	-	-

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

b) Quantitative Disclosures Fair Value Measurement Hierarchy For Financial Liabilities as at March 31, 2020:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	Amorised Cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities Measured at Amortised Cost					
Borrowings	5,115.80	5,115.80	-	-	-
Lease Liabilities	1,002.40	1,002.40	-	-	-
Trade Payable	7,728.25	7,728.25	-	-	-
Trade Deposits	1,018.46	1,018.46	-	-	-
Earnest Money Received from Employees	34.90	34.90	-	-	-
Security From Employees	1.88	1.88	-	-	-
Interest Accrued but not due on Borrowings	36.83	36.83	-	-	-
Unpaid Dividends	10.16	10.16	-	-	-
	14,948.68	**14,948.68**	-	-	-

c) Quantitative Disclosures Fair Value Measurement Hierarchy For Financial Assets as at March 31, 2019:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	Amorised Cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured at Amortised Cost					
Investments	572.00	572.00	-	-	-
Trade Receivables	11,621.49	11,621.49	-	-	-
Security deposits	320.08	320.08	-	-	-
Deposits with original maturity of more than 12 months	3.65	3.65	-	-	-
Cash and Cash Equivalents	10.65	10.65	-	-	-
Bank balance other than Cash and cash equivalent	344.27	344.27	-	-	-
Interest accrued on Security Deposits	19.06	19.06	-	-	-
Interest accrued on Fixed Deposits	3.10	3.10	-	-	-
	12,894.31	**12,894.31**	-	-	-

d) Quantitative Disclosures Fair Value Measurement Hierarchy For Financial Liabilities as at March 31, 2019:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	Amorised Cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities Measured at Amortised Cost					
Borrowings	10,097.91	10,097.91	-	-	-
Trade Payable	7,088.02	7,088.02	-	-	-
Trade Deposits	1,006.37	1,006.37	-	-	-
Earnest Money Received from Employees	29.95	29.95	-	-	-
Security From Employees	1.88	1.88	-	-	-
Interest Accrued but not due on Borrowings	14.50	14.50	-	-	-
Unpaid Dividends	11.99	11.99	-	-	-
	18,250.63	**18,250.63**	-	-	-

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

(i) **Valuation technique used to determine fair value:**
Security Deposit : Discounted Cash Flow Method using risk adjusted discount rate.

(ii) There have been no transfers between level 1 and level 2 category during the year ended on respective reporting date given above.

NOTE 44 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise trade and other payables, borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon. The Company is exposed to market risk, credit risk and liquidity risk . The Company's senior level oversees the management of these risks.

A. **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

i) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to interest rate risk.

Particulars	Increase or decrease in basis points	Effect on profit before tax
31st March, 2020		
INR	+50	(30.53)
INR	-50	30.53
31st March, 2019		
INR	+50	(36.96)
INR	-50	36.96

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

ii) **Foreign currency risk**

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk sensitivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant.

Particulars	Year	Changes in Euro rate	Effect on profit before tax
Trade Payables	31 March, 2020	+5%	(1.90)
		-5%	1.90
Trade Payables	31 March, 2019	+5%	(0.30)
		-5%	0.30

Particulars	Year	Changes in Currency rate	Effect on profit before tax
Foreign Currency on Hand	31 March, 2020	+5%	0.17
		-5%	(0.17)
Foreign Currency on Hand	31 March, 2019	+5%	0.12
		-5%	(0.12)

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

B. **Credit Risk**

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Company. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.

The Company also uses expected credit loss model to assess the impairement loss in Trade Receivables and makes an allowance of doubtful trade receivables using this model.

C. **Liquidity Risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. It maintains adequate sources of financing including loans from banks at an optimised cost.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	602.42	280.73	903.24	1,841.18	1,500.00	5,127.57
Lease Liabilities	-	64.43	152.75	636.88	148.34	1,002.40
Trade payables	-	7,728.25	-	-	-	7,728.25
Other financial liabilities	-	36.83	12.58	34.36	1,018.46	1,102.22
Total	**602.42**	**8,110.24**	**1,068.56**	**2,512.42**	**2,666.80**	**14,960.44**

As at March 31, 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	4,301.76	212.39	1,079.06	3,025.14	1,500.00	10,118.35
Trade payables	-	7,088.02	-	-	-	7,088.02
Other financial liabilities	-	14.50	12.53	31.29	1,006.37	1,064.69
Total	**4,301.76**	**7,314.91**	**1,091.59**	**3,056.43**	**2,506.37**	**18,271.06**

*** In absolute terms i.e. undiscounted and including current maturity portion**

NOTE 45 : SUBSEQUENT EVENT : DIVIDEND PAID AND PROPOSED

(a) **Dividend paid and Proposed**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. **Declare and Paid During the Year:** Final Dividend for FY 2018-19: ₹ 0.5 per share (FY 2017-18: ₹ 0.5 per share) Including Dividend distribution tax of ₹ 14.66 lakh FY 2018-19 (₹ 14.64 lakh for FY 2017-18)	85.96	85.89
	85.96	85.89
B. **Proposed for Approval at the Annual General Meeting (not recognised as a liability)** Final Dividend for FY 2019-20: ₹ NIL per share (FY 2018-19: ₹ 0.5 per share)	-	71.24
Dividend Distribution Tax	-	14.65
	-	85.89

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

b) Based on initial assessment, the Management does not expect any significant medium to long-term impact on the business of the Company due to the COVID-19 pandemic. The Company has evaluated the possible effects on the carrying amounts of property, plant and equipment, intangible assets, right of use assets, investments, inventory and receivables basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to the above, and the Company's liquidity position, there is no material uncertainty in meeting the financial obligations over the foreseeable future. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

No material events except above have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the standalone financial statements.

NOTE 46 :

In view of the Management, the current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at March 31, 2020.

Note 47 :

The standalone financial statements of the Company for the year ended 31st March, 2020 were approved by the Board of Directors and authorised for issue on June 17, 2020.

---

for & on behalf of Board of Directors of Orient Bell Limited

Madhur Daga
Managing Director
DIN 00062149

P.M. Mathai
Director
DIN 05249199

Place of Signature : New Delhi
Date : June 17, 2020

Aditya Gupta
Chief Executive Officer

Himanshu Jindal
Chief Financial Officer

Yogesh Mendiratta
Company Secretary
ICSI Membership No. 13615

Independent Auditor's Report

To the Members of **ORIENT BELL LIMITED**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Orient Bell Limited (hereinafter referred to as "Parent") and its Associate Companies, which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statement, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with 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 Parent and its Associate Companies as at March 31, 2020, the consolidated Profit (consolidated financial performance including 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 of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Parent, its Associate Companies in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on 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. For each key audit matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

S.No.	Key Audit Matters	How our audit addressed the key audit matter
1	**Accounting for Customer Schemes, discounts and other trade promotional expenditure** (Refer to the accompanying Note 23 forming integral part of the consolidated financial statements) In line with normal industry practice and overall objective of increase in the revenue, the Company has varied incentive programs and discount policies in place. These include volume based rebates and schemes and trade spend commitments which are driven by customers achieving sales volume targets agreed with the Company over a pre-determined period. These rebates and schemes on sales are accounted for as a deduction from revenue and recognized in the period to which it relates in accordance with the customer agreement.	Our audit work in respect of accounting for customer schemes, discounts and other trade promotional expenditure comprised a combination of substantive testing, control testing and an assessment of the Company's disclosures in this regard. The audit procedures include the following steps: a) **Substantive testing**: - Tested a sample of underlying agreements to obtain evidence in support of amount and timing of recognition of both customer rebates & other promotional expenditure. This involved evaluating whether the amount & timing of recognition was consistent with the contractual arrangements. - Critically assessed the judgements taken by the Company in estimating year end accruals for amounts owing to customers. This included retrospective analysis/tests to assess the accuracy of the accruals in previous years, alongside the use of key assumptions

	This area was significant to our audit because: - those areas are subject to judgmental estimates and assessments that are material; and - these expenses vary with regards to the nature and timing of the activity to which it relates Our focus was on assessing the accuracy of the expense charged, whether the amount recognized were recorded in the appropriate period and the completeness of the expense.	of rebate/ discount terms and in the case of volume rebates, the level of sales likely to occur in the period under audit, with reference to historic events. - Held discussions with the sales teams to understand the complexities, if any of these agreements and any unusual trends in the year. - Tested post-year end credit notes issued and debit notes received, where applicable, to determine whether specific promotions were appropriately provided for as at the reporting date at the appropriate amount. b) Controls testing: Wherever appropriate, our substantive work was supplemented by controls testing work which encompassed understanding, evaluating and testing key controls in respect of the approval of customer rebates, discounts and other trade promotional expenditure. Our procedures as mentioned above did not identify any findings that are significant for the financial statements as whole in respect of accounting for customer schemes, discounts and other trade promotional expenditure.
2	Accounting, presentation and disclosure of Leases as per Ind AS 116: Leases (Refer to the accompanying Note 3(a)(vi) and Note 35 forming integral part of the consolidated financial statements) The Company has adopted the Ind AS 116-"Leases" effective from April 1, 2019. The application and transition to this accounting standard is complex and is an area of focus in our audit since the Company has a large number of leases with different contractual terms. Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize in the balance sheet a right-of-use (ROU) asset and a lease liability arising from a lease. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of such transition.	Our procedure in relation to appropriateness of judgements, accounting, presentation and disclosure of leases on adoption of Ind AS 116 include: a) Substantive testing: • Assessed the Company's evaluation on the identification of leases based on its contractual agreement with the lessor(s); • Evaluated the reasonableness of the discount rates applied in determining the lease liabilities; • Upon transition as at 1 April 2019: - Evaluated the method of transition and related adjustments; - Tested completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing ROU asset and the lease liabilities. • On a statistical sample, we performed the following procedures: - assessed the key terms and conditions of each lease with the underlying lease contracts; and - evaluated computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term. • Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition. b) Controls testing: Wherever appropriate, our substantive work was supplemented by controls testing work which encompassed understanding, evaluating and testing key controls in respect of lease agreements including its terms and conditions. Our procedures as mentioned above did not identify any findings that are significant for the financial statements as whole in respect of accounting, presentation and disclosure of Leases on adoption of Ind AS 116.

3	**Judgment in valuation of deferred income tax positions** (Refer to the accompanying Note 19 forming integral part of the consolidated financial statements) The Company's deferred income tax assets are netted with deferred income tax liabilities as at March 31, 2020. Under Ind AS, the Company is required to annually determine the valuation of deferred tax positions. This area was significant to our audit because of the subjectivity of the components forming part of deferred income tax assets/liabilities including assumptions that are affected by expected future market or economic conditions and the estimates/ actual position which effects the reversal of deferred taxes.	Our procedure in relation to the appropriateness of judgements in valuation and accounting of deferred income tax include: a) **Substantive testing**: • Evaluated computation of deferred income tax and challenged the key estimates such as, tax rates. • Evaluated the assumptions and methodologies used by the Company for the purpose of calculation of deferred taxes; • Assessed the recoverability of deferred tax assets of the Company by reviewing their profitability, management's forecasts and local fiscal developments; • Projections were assessed using a number of scenarios to cover reasonable changes in the assumptions underlying the projections. These changes mainly relate to variations in revenue growth percentages and operating margin percentages. The deferred tax assets are only recognized to the extent that it is considered probable that future taxable profits will be available, against which these deferred tax assets can be utilized; • Assessed and tested the adequacy of the Company's disclosures on deferred income tax positions and assumptions used; • Involved our tax professionals with specialized skills to evaluate the correctness and reasonableness of the calculations, judgements and estimates applied in determining deferred income tax; • Assessed Company's disclosures in respect of deferred income tax. b) **Controls testing**: Wherever appropriate, our substantive work was supplemented by controls testing work which encompassed understanding, evaluating and testing key controls in respect of judgement, estimates, calculation and presentation of deferred income tax. Our procedures as mentioned above did not identify any findings that are significant for the financial statements as whole in respect of judgement, estimates, calculation and presentation of deferred income tax as per Ind AS 12.

Information other than Consolidated Financial Statements and Auditor's Reports thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Parent including its associate companies in accordance with the Ind AS and other accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act.. The respective Board of Directors of the companies are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Parent and its associate companies are responsible for assessing the ability of the respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies are also responsible for overseeing their financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent and its Associate Companies which are companies incorporated in India, has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Parent and its Associate Companies to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent and its Associate Companies to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Parent and its Associate Companies to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the entities consolidated in the consolidated financial statements, which have been audited by other auditors, such other auditors are responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Parent 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) The consolidated financial statements include the Parent's share of net profit of ₹29.21 lakh for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of two associate companies, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these associate companies, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate companies, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

(b) Due to the outbreak of COVID-19 pandemic, the consequent nationwide lockdown commencing from March 23, 2020 onwards, we could not visit and carry out the audit processes physically at the Company's premises. Further, the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI, give guidelines for the statutory audit via making arrangements to provide requisite documents/information through electronic medium and minimal physical movement. The entire audit has been carried considering these guidelines and alternative audit procedures as per SAs prescribed by the ICAI. Moreover, our attendance at the physical verification of inventory done by the management was impracticable under these lockdown restrictions imposed by the government and we have therefore, relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at year end. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report 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 reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors of the Parent as on March 31, 2020 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of the associate companies incorporated in India, none of the directors of the Parent and its associate companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Parent and its associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.

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

      i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Parent and its associate companies- Refer Note No. 36 to the consolidated financial statements.

      ii. The Parent and its associate companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its associate companies incorporated in India.

2. 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 explanation given to us, the Company has paid remuneration to its directors during the year is in accordance with the provisions of and limit laid down under section 197 read with Schedule V of the Act. In respect of the two associate companies, section 197 of the Companies Act, 2013 is not applicable since none of the Company is a Public Company as per definition given under section 2(71) of the Act.

For **B.R. Gupta & Co.**
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership No. 073696
UDIN: 20073696AAAABA5784

Place of Signature: New Delhi
Dated: 17th June, 2020

Annexure 'A' to the Independent Auditors' Report of even date on the Consolidated Financial Statement of Orient Bell Limited

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

In conjunction with our audit of the consolidated financial statements of **Orient Bell Limited** (hereinafter referred to as "the Parent") as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of the Parent and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls with reference to financial statements of 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 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 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 controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 Parent and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the Parent, in so far as it relates to two associate companies, which are companies incorporated in India, is based on the corresponding report of the auditor of such associates companies incorporated in India.

For **B.R. Gupta & Co.**
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership No. 073696
UDIN: 20073696AAAABA5784

Place of Signature: New Delhi
Dated: 17th June, 2020

Consolidated Balance Sheet as at March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I. Assets			
Non-Current Assets			
(a) Property, Plant and Equipment	4	22,426.04	23,870.66
(b) Capital Work-in-Progress	5	67.08	102.15
(c) Right-of-use assets	35	787.19	-
(d) Other Intangible Assets	6	54.66	11.57
(e) Financial Assets			
(i) Investments	7	697.90	668.69
(ii) Other Financial Assets	8	316.70	317.19
(f) Other Non Current Assets	9	86.90	93.16
Total Non-Current Assets		**24,436.47**	**25,063.42**
Current Assets			
(a) Inventories	10	8,059.14	8,545.67
(b) Financial Assets			
(i) Trade Receivables	11	8,692.58	11,621.49
(ii) Cash and Cash Equivalents	12	11.46	10.65
(iii) Bank Balances other than Cash and Cash Equivalents	13	287.16	344.27
(iv) Other Financial Assets	8	26.73	28.70
(c) Current Tax Assets (Net)	22	47.34	-
(d) Other Current Assets	9	456.01	257.48
Total Current Assets		**17,580.42**	**20,808.26**
Total Assets		**42,016.89**	**45,871.68**
II. Equity And Liabilities			
Equity			
(a) Equity Share Capital	14	1,428.41	1,424.86
(b) Other Equity	15	22,533.37	21,832.00
Total Equity		**23,961.78**	**23,256.86**
Liabilities			
Non- Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	3,335.49	4,513.38
(ii) Lease Liabilities	35	785.22	-
(iii) Other Financial Liabilities	17	1,052.82	1,037.66
(b) Provisions	18	153.41	242.28
(c) Deferred Tax Liabilities (Net)	19	2,196.03	2,719.78
Total Non- Current Liabilities		**7,522.97**	**8,513.10**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	602.42	4,301.76
(ii) Lease Liabilities	35	217.18	-
(iii) Trade Payables	20		
a) Total Outstanding Dues to Micro and Small Enterprises		-	2.57
b) Total Outstanding Dues to Parties Other than Micro and Small Enterprises		7,728.31	7,085.45
(iv) Other Financial Liabilities	17	1,227.30	1,309.80
(b) Other Current Liabilities	21	714.42	1,266.27
(c) Provisions	18	42.51	56.63
(d) Current Tax Liabilities (Net)	22	-	79.24
Total Current Liabilities		**10,532.14**	**14,101.72**
Total Equity and Liabilities		**42,016.89**	**45,871.68**
Summary of Significant Accounting Policies	3		
The accompanying notes are integral part of the consolidated financial statements.			

As per our Report of even date attached

For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

for & on behalf of Board of Directors of Orient Bell Limited

(Deepak Agarwal)
Partner
Membership Number 073696

Madhur Daga
Managing Director
DIN 00062149

P.M. Mathai
Director
DIN 05249199

Place of Signature : New Delhi
Date : June 17, 2020

Aditya Gupta
Chief Executive Officer

Himanshu Jindal
Chief Financial Officer

Yogesh Mendiratta
Company Secretary
ICSI Membership No. 13615

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	Note No.	For the Year ended March 31, 2020	For the Year ended March 31, 2019
I	Revenue from Operations	23	49,228.62	57,113.90
II	Other Income	24	524.86	193.51
III	Total Income (I+II)		49,753.48	57,307.41
IV	Expenses			
	(a) Cost of Materials Consumed	25	7,130.14	8,935.78
	(b) Purchases of Stock-in-Trade	26	16,355.61	17,327.73
	(c) Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	27	144.10	(592.25)
	(d) Employee benefits expense	28	7,355.16	7,564.65
	(e) Finance costs	29	809.26	870.87
	(f) Depreciation and amortization expense	30	2,058.58	1,652.13
	(g) Other expenses	31	15,637.66	20,177.17
	Total expenses		49,490.51	55,936.08
V	Profit/ (loss) before share of Profit/ (loss) of Associates exceptional items and tax (III-IV)		262.97	1,371.33
VI	Share of profit/(loss) of an Associates		29.21	38.69
VII	Profit/ (loss) before exceptional items and tax (V+VI)		292.18	1,410.02
VIII	Exceptional Items		-	-
IX	Profit/ (loss) before tax (V-VI)		292.18	1,410.02
X	Tax expense:	32		
	(a) Current tax		184.65	302.55
	(b) Adjustment of tax relating to earlier periods		21.60	13.42
	(c) Deferred tax		(625.98)	165.77
	Total tax expense		(419.73)	481.74
XI	Profit/(loss) for the year (VII-VIII)		711.91	928.28
XII	Other Comprehensive Income			
(A)	(i) Items that will not be reclassified subsequently to statement of profit and loss			
	(a) Re-measurement gains/ (losses) on defined benefit plans		87.29	98.05
	(ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss		(21.97)	(34.26)
(B)	(i) Items that will be reclassified subsequently to statement of profit and loss		-	-
	(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-
	Other comprehensive income for the year, net of tax		65.32	63.79
XIII	Total comprehensive income for the year, net of tax		777.23	992.07
XIV	Earnings per share: (Face value ₹10 per share)	33		
	1) Basic (amount in ₹)		4.99	6.52
	2) Diluted (amount in ₹)		4.94	6.47
	Summary of Significant Accounting Policies	3		

The accompanying notes are integral part of the consolidated financial statements.

As per our Report of even date attached
For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

for & on behalf of Board of Directors of Orient Bell Limited

(Deepak Agarwal)
Partner
Membership Number 073696

Madhur Daga
Managing Director
DIN 00062149

P.M. Mathai
Director
DIN 05249199

Place of Signature : New Delhi
Date : June 17, 2020

Aditya Gupta
Chief Executive Officer

Himanshu Jindal
Chief Financial Officer

Yogesh Mendiratta
Company Secretary
ICSI Membership No.13615

Consolidated Statement of Cash Flows for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		For the Year ended March 31, 2020	For the Year ended March 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit Before Tax		**292.18**	**1,410.02**
Adjustments for:			
Share of (Profit) / Loss of Associates		(29.21)	(38.69)
Depreciation and amortization		2,058.58	1,652.13
Interest Paid		805.81	867.65
Impact of effective interest rate adjustment on borrowings		9.04	6.31
Provision for employee benefit		151.71	113.09
Loss/(Gain) on sale of property, plant and equipment (including written off)		23.79	(51.65)
Government Grant Income Interest/GST Incentive		(60.18)	-
Interest on delayed payment of Taxes		3.45	3.22
Depreciation written back on capital subsidy		(0.40)	-
Unwinding of discount on deposits		(6.23)	(5.85)
Interest Income		(38.58)	(40.30)
Excess liability written back		(120.57)	(39.66)
Allowances for doubtful debts written back		(22.19)	-
Provision for Slow Moving of Inventories- Finished Goods		2.32	30.21
Allowances for doubtful debts		-	12.20
Bad Debts Written Off		-	8.40
Operating Profit Before Working Capital Changes		**3,069.52**	**3,927.08**
Movement In Working Capital:			
Increase/(Decrease) in Trade Payables & Other Current Liabilities		126.47	(835.22)
Increase/(Decrease) in Other Long Term Liabilities		99.54	(10.43)
Increase/(Decrease) in Provisions		(26.02)	12.97
(Increase)/Decrease in Trade Receivables		2,951.10	934.94
(Increase)/Decrease in Inventories		483.68	307.38
(Increase)/Decrease in Other Current Assets and other bank balances		(137.43)	17.87
(Increase)/Decrease in Other Non-Current Assets		69.80	18.04
Cash Generated From Operations		**6,636.67**	**4,372.63**
Direct Tax paid (Net of Refunds)		(186.54)	(276.87)
Net Cash Inflow From/(Used In) Operating Activities	(A)	**6,450.13**	**4,095.76**
Cash Flows From Investing Activities			
Purchase of Property, Plant and Equipment and other intangible assets		(473.04)	(5,797.83)
Sale Proceeds of Property, Plant and Equipment		32.83	193.83
Interest Income		44.65	40.30
Net Cash From/ (Used In) Investing Activities	(B)	**(395.56)**	**(5,563.70)**

Consolidated Statement of Cash Flows for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		For the Year ended March 31, 2020	For the Year ended March 31, 2019
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		3.55	-
Increase/ (Decrease) in Long Term & Short Term Borrowings		(4,982.11)	2,406.48
Repayment of lease liabilities		(194.88)	-
Dividend (including dividend distribution tax) Paid		(87.80)	(85.89)
Interest paid (net)		(792.52)	(867.65)
Net cash inflow from/(used in) Financing Activities	**(C)**	**(6,053.75)**	**1,452.94**
Net Increase / (Decrease) In Cash And Cash Equivalents	**(A+B+C)**	**0.81**	**(15.00)**
Opening Balance of Cash and Cash Equivalents		10.65	25.65
Total Cash And Cash Equivalent (Note No. 12)		**11.46**	**10.65**
Components Of Cash And Cash Equivalents			
Cash on hand		8.09	3.32
With banks - on current account and deposits with banks		3.37	7.33
Total Cash and Cash equivalent (Note No. 12)		**11.46**	**10.65**

Note: (a) Purchase of Property, Plant and Equipment includes cash flows of capital work-in-progress (including Capital Advances) and movement in Capital Expenditure Creditors during the year

(b) The cash flow statement has been prepared under indirect method as set out in Indian Accounting Standard (IND AS-7)

Summary of Significant Accounting Policies (Note No. 3)

The accompanying Notes are integral part of the Consolidated financial statements.

As per our Report of even date attached
For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership Number 073696

Place of Signature : New Delhi
Date : June 17, 2020

for & on behalf of Board of Directors of Orient Bell Limited

Madhur Daga
Managing Director
DIN 00062149

P.M. Mathai
Director
DIN 05249199

Aditya Gupta
Chief Executive Officer

Himanshu Jindal
Chief Financial Officer

Yogesh Mendiratta
Company Secretary
ICSI Membership No.13615

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Amount
A. Equity Share Capital	
Opening Balance as at April 01, 2018	1,423.11
Changes during the year	1.75
Closing Balance as at March 31, 2019	1,424.86
Changes during the year	3.55
Closing Balance as at March 31, 2020	1,428.41

B. Other Equity

	Reserve & Surplus							Total equity
	Capital Reserve	Security Premium	Capital Restructuring	Amalgamation Reserve	Share Options Outstanding Account	General Reserve	Retained earnings	
Balance as at April 01, 2018	25.57	1,257.18	46.16	913.04	60.63	4,882.91	13,629.07	20,814.55
Net Income/ Loss for the year	-	-	-	-	-	-	928.28	928.28
Less: Unrealised Profit on upstream transaction	-	-	-	-	-	-	(0.07)	(0.07)
Add: Other comprehensive income *	-	-	-	-	-	-	63.79	63.79
Employee Stock Option Scheme	-	20.46	-	-	90.88	-	-	111.34
Final Dividend for the FY 17-18 (Refer Note 45)	-	-	-	-	-	-	(71.24)	(71.24)
Dividend Distribution Tax	-	-	-	-	-	-	(14.64)	(14.64)
Balance as at March 31, 2019	25.57	1,277.63	46.16	913.04	151.51	4,882.91	14,535.18	21,832.01
Implementation of Ind AS 116: Leases (Refer Note 35)	-	-	-	-	-	-	(141.09)	(141.09)
Balance as at April 01, 2019 (Revised)								
Net Income/ Loss for the year	-	-	-	-	-	-	711.91	711.91
Less: Unrealised Profit on upstream transaction	-	-	-	-	-	-	(0.52)	(0.52)
Add: Other comprehensive income *	-	-	-	-	-	-	65.32	65.32
Employee Stock Option Scheme	-	89.53	-	-	57.47	-	4.72	151.71
Final Dividend for the FY 18-19 (Refer Note 45)	-	-	-	-	-	-	(71.31)	(71.31)
Dividend Distribution Tax	-	-	-	-	-	-	(14.66)	(14.66)
Balance as at March 31, 2020	25.57	1,367.16	46.16	913.04	208.98	4,882.91	15,089.55	22,533.38
* Represents Re-measurement of defined benefit plans (net)								

Summary of Significant Accounting Policies (Note No. 3)

The accompanying notes are integral part of the consolidated financial statements.

As per our Report of even date attached
For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership Number 073696

Place of Signature : New Delhi
Date : June 17, 2020

for & on behalf of Board of Directors of Orient Bell Limited

Madhur Daga
Managing Director
DIN 00062149

P.M. Mathai
Director
DIN 05249199

Aditya Gupta
Chief Executive Officer

Himanshu Jindal
Chief Financial Officer

Yogesh Mendiratta
Company Secretary
ICSI Membership No. 13615

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

NOTE 1 : CORPORATE INFORMATION

Orient Bell Limited (hereinafter referred as the Company) was incorporated on May 18, 1977 and is engaged in the manufacturing, trading and selling of ceramic and floor tiles. The Company is a public limited company incorporated and domiciled in India and has its registered office at Sikandrabad, Uttar Pradesh, India. The Company has its primary listings on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

The consolidated financial statements comprise financial statements of the Company and includes share of profit of two of its associate private limited companies for the year ended March 31, 2020. The consolidated financial statement are approved by the Board of Directors in their Board Meeting held on June 17, 2020.

NOTE 2: STATEMENT OF COMPLIANCE

The consolidated financial statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.

The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

a) Basis of Preparation and presentation

The consolidated financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value and defined benefit plans - plan assets measured at fair value at the end of each reporting period, as explained in the relevant accounting policies mentioned. The consolidated financial statements are presented in ₹ and all values are rounded to the nearest lakh except otherwise stated.

b) Basis of Consolidation and Equity Accounting:

i) Associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see note (ii) below), after initially being recognised at cost.

ii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Company 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 Company and its associates and joint ventures are eliminated to the extent of the Company'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 investments are tested for impairment.

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar transactions.

c) Going Concern

The board of directors have considered the financial position of the Company at March 31, 2020, the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these consolidated financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

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

d) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. However, there is no such notification which would have been applicable from April 1, 2020.

e) Application of New Accounting Pronouncements

The following Ind As pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules 2018, were applied by the Company during the year:

- Ind AS 116, Leases with effect from April 1, 2019
- Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments with effect from April 1, 2019
- Amendment to Ind AS 12 – Income taxes with effect from April 1, 2019
- Amendment to Ind AS 19 – Plan amendment, curtailment or settlement with effect from April 1, 2019

None of the changes described above, or any of the other changes to the Ind AS, with the exception of Ind AS 116 (Leases), have a impact on the net worth, financial position, financial performance or on the cash flow of the Company.

Note 3: SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

Use of Estimates and Judgements

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

i) Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Where tax positions are uncertain, accruals are recorded within income tax liabilities for management's best estimate of the ultimate liability that is expected to arise based on the specific circumstances and the Company's historical experience. Factors that may have an impact on current and deferred taxes include changes in tax laws, regulations or rates, changing interpretations of existing tax laws or regulations, future levels of research and development spending and changes in pre-tax earnings.

ii) Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

iii) Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

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

iv) Defined benefit plans

The present value of the gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the actuary considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

v) Useful lives of property, plant and equipment

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

vi) Leases

Where the Company is the lessee, key judgements include assessing whether arrangements contain a lease and determining the lease term. To assess whether a contract contains a lease requires judgement about whether it depends on a specified asset, whether the Company obtains substantially all the economic benefits from the use of that asset and whether the Company has a right to direct the use of the asset. In order to determine the lease term judgement is required as extension and termination options have to be assessed along with all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option. The Company revises the lease term if there is a change in the non-cancellable period of a lease. Estimates include calculating the discount rate which is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Where the Company is the lessor, the treatment of leasing transactions is mainly determined by whether the lease is considered to be an operating or finance lease. In making this assessment, management looks at the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred. Arrangements which do not take the legal form of a lease but that nevertheless convey the right to use an asset are also covered by such assessments.

The management's estimates and assessments were based in particular on assumptions regarding the development of the economy as a whole, the development of tiles markets, and the development of the basic legal parameters.

b) Current versus non-current classification

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

Assets:

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle.
ii) Held primarily for the purpose of trading
iii) Expected to be realised within twelve months after the reporting period, or
iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities:

A liability is current when:

(i) It is expected to be settled in normal operating cycle
(ii) It is held primarily for the purpose of trading
(iii) It is due to be settled within twelve months after the reporting period, or
(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

Operating cycle: The operating cycle is the time between the acquisition of assets / liabilities for processing and their realisation / payment in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

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

c) Property, Plant and Equipment (PPE)

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss within other income / expense (as applicable).

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Subsequent costs: The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred.

Decommissioning Costs: The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work in progress: Capital work in progress comprises the cost of property, plant and equipment that are not ready for their intended use at the reporting date.

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2016 as the deemed cost under Ind AS.

Depreciation: Depreciation on PPE are provided to the extent of depreciable amount on straight line basis (SLM). Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 except on certain assets, where useful life has been taken based on external / internal technical evaluation which is given below in table. Leasehold Land and Leasehold Improvements are amortised over the period of lease or useful life of assets whichever is lower. The residual values, useful lives are reviewed at each financial year end and adjusted appropriately.

Particulars	Useful life as per Schedule II of Companies Act, 2013 (Years)	Management Estimate of Useful Life (Years)*
Buildings *	30 years	5 & 30 years
Plant and Machinery *		
Moulds	25 years	5 years
Punches	25 years	5 years
Steel Pallets	18 years	5 years
Digital Machine	25 years	10 years
Others	25 years	18 years
Office Equipment *		
Mobiles	5 years	3 years

*For these classes of assets, based on internal assessment by technical team, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

d) Intangible Assets

Recognition and measurement

Intangible assets that are acquired by the Company are measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. All expenditures, qualifying as Intangible Assets are amortized over estimated useful life. Specialized softwares are amortized over a period of 3 years or license period whichever is earlier.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

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

Amortisation

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2016 as the deemed cost under Ind AS.

e) Borrowing Costs

Borrowing costs consists of interest and amortization of ancillary costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest cost.

f) Foreign Currency Transaction

Functional and presentational currency

The Company's consolidated financial statements are presented in Indian Rupees (` in lakh) which is Company's functional currency and also the presentational currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash.

Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Advances received or paid in foreign currency are recognised at exchange rate on the date of transaction and are not retranslated.

g) Revenue Recognition

The Company derives revenues primarily from sale of manufactured goods and traded goods

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) -'Revenue from contracts with customers' The effect on adoption of Ind-AS 115 was insignificant.

Revenue from sale of products is recognized upon transfer of control to customers. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring district goods to a customer as specified in a contract, excluding amounts collected on behalf of third parties (for example, taxes and duties collected on behalf of the Government). A receivale is recognized upon satisfaction of performance obligations as per the Contracts. The company has concluded that it is principal in its revenue arrangements.

Use of significant Judgements in Revenue Recognition

- Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as volume discounts, price concessions, incentives etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.
- The Company estimates variable considerations to be included in the transaction price for the sale of goods with volume rebates. The Company's expected volume rebates are analysed on a per customer basis. Determining whether a customer will be entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date. The Company updates its assessment of volume rebates on regular basis.

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

- The Company assesses its revenue arrangements against specific recognition criterias like exposure to the significant risks and rewards associated with the sale of goods. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Company and its customers are reviewed to determine each party's respective role in the transaction.

Other Operating Revenue

Dividend income is recognized when the right to receive payment is established.

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

Claims receivables on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

h) Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. The cost of various components of inventory is determined as follows :-

Raw Materials, Stores, Spares and Packing Material	Cost includes purchase price, non refundable duties, taxes and all other costs incurred in bringing the inventories to their present location. Cost is determined on Weighted Average basis.
Stock-in-process and Finished Goods	Cost includes material cost and also includes an appropriate portion of allocable overheads. Cost is determined on Weighted Average basis.
Traded Goods	Cost includes purchase cost, duties, taxes and all other costs incurred in bringing the inventory to their present location. Cost is determined on Weighted Average basis.

i) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the

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

lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Company as Lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term.

j) Employee’s Benefits

Short Term Employee Benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in Statement of Profit and Loss in the period in which the employee renders the related service.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and thereafter, will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance Schemes are defined contribution scheme and contributions paid / payable are recognised as an expense in the statement of profit and loss during the year in which the employee renders the related service.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee’s salary and the tenure of employment. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities.

Re-measurements, comprising actuarial gains and losses including, the effect of the changes to the asset ceiling (if applicable), is reflected immediately in Other Comprehensive Income, they are included in retained earnings in the Statement of Changes in Equity and Balance sheet. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Other Long Term Benefits

Long term compensated absences are provided for on the basis of actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains / loss are recognised in Statement of Profit & Loss. On the basis of companies policy, compensated absences upto 50 days (60 days in case of Dora worker and 30 days in case of SKD workers) are recognised as long term employee benefit & compensated absences beyond 60/50/30 days as may be applicable, shall lapse after the end of financial year.

Employees Share Based Payment

Employees (including senior executives) of the Company receive component of remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled Transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment

(SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits.

k) Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Contingent liability is disclosed in the case of;

i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle obligation;

ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

l) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

1) Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

2) Classification and Subsequent measurement

(a) Financial Assets

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

- Financial Asset carried at amortised cost
- Financial Asset at fair value through other comprehensive income (FVTOCI)
- Financial Asset at fair value through profit and loss (FVTPL)

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

• Financial Asset carried at amortised cost

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

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

- **Financial Asset at fair value through other comprehensive income (FVTOCI)**

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

- **Financial Asset at fair value through profit and loss (FVTPL)**

  A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

- **Equity investment in Associates**

  Investments representing equity interest in associates are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

  The Company had elected for one time Ind AS 101 exemption and adopted the fair value of ₹ 10 of its investment in equity shares of its associates as its deemed cost as at the date of transition.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

(i) The contractual rights to receive cash flows from the asset has expired, or

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

(b) **Financial Liabilities**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities at Amortized cost

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to the borrowings.

De-recognition

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 the de-recognition of the original liability and the recognition of a new liability. The difference (if any) in the respective carrying amounts is recognised in the statement of profit and loss.

(c) **Offsetting of Financial Instruments**

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

m) **Impairment of Financial Assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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

n) Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

An impairment loss is recognized, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in statement of profit and loss.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

o) Fair Value Measurement

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.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised 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.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

p) Taxes on Income

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

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

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses (if any). Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement ". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

In accordance with Ind AS 12 Company is grouping MAT credit entitlement with Deferred Tax Assets / Liability (Net).

q) Government Grants and Subsidies

Government grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

Government grants, that are receivable towards capital investments under State Investment Promotion Scheme, are recognised in the Statement of Profit and Loss in the period in which they become receivable.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

r) Cash and cash equivalents

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

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

s) Earnings per share (EPS)

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be anti dilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

t) Segment Reporting

The Company has the policy of reporting the segments in a manner consistent with the internal reporting provided to the chief decision maker. The chief decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

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

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Land- Free-hold	Land-Leasehold	Buildings	Leasehold Improve-ments	Plant and** Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installations & Equipment	Computers	Total
Gross Carrying Amount :											
As at April 01, 2018	5,852.01	183.60	4,919.97	392.19	11,022.48	45.38	303.90	72.05	40.00	98.96	22,930.54
Add: Additions made during the year	-	-	1,514.76	52.77	4,276.12	2.24	133.17	12.41	11.41	19.47	6,022.36
Less: Disposals/adjustments during the year	-	-	11.17	3.94	45.45	-	134.73	0.70	-	19.43	215.43
As at March 31, 2019	5,852.01	183.60	6,423.56	441.02	15,253.15	47.62	302.34	83.76	51.41	99.00	28,737.47
Add: Additions made during the year	-	-	72.52	36.95	252.27	-	54.67	22.07	1.77	15.40	455.65
Less: Disposals/adjustments during the year	-	-	-	-	42.19	0.73	63.61	0.74	0.37	-	107.63
As at March 31, 2020	5,852.01	183.60	6,496.09	477.98	15,463.24	46.89	293.40	105.09	52.81	114.39	29,085.49
Accumulated Depreciation :											
As at April 01, 2018	-	5.48	494.72	123.11	2,494.28	12.09	90.48	34.38	8.08	31.90	3,294.53
Add: Depreciation charge for the year	-	2.74	247.78	59.96	1,241.64	5.53	46.05	15.73	4.72	21.39	1,645.54
Less: Disposals/adjustments during the year	-	-	0.83	2.65	6.42	-	60.87	0.66	-	1.83	73.26
As at March 31, 2019	-	8.22	741.67	180.42	3,729.50	17.62	75.66	49.45	12.80	51.46	4,866.81
Add: Depreciation charge for the year	-	2.74	285.89	75.80	1,378.44	5.46	39.31	12.40	5.65	24.32	1,830.01
Less: Disposals/adjustments during the year	-	-	-	-	5.09	0.23	31.62	0.31	0.12	-	37.37
As at March 31, 2020	-	10.96	1,027.56	256.22	5,102.84	22.85	83.34	61.54	18.33	75.78	6,659.45
Net Carrying Amount :											
As at March 31, 2020	5,852.01	172.64	5,468.53	221.75	10,360.39	24.04	210.06	43.55	34.48	38.61	22,426.04
As at March 31, 2019	5,852.01	175.38	5,681.90	260.60	11,523.65	30.00	226.68	34.30	38.61	47.54	23,870.66

(a) In earlier years, the Company had acquired a land from Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) at Industrial Park, Phase-II, Peddapuram, East Godavari District, Andhra Pradesh. Due to non- implementation of agreed project by the Company, the Company had received a notice from APIIC for resumption of such allotment in F.Y. 2016-17. Against such notice, the Company has filed a writ petition before High Court of Andhra Pradesh to set aside the said notice of APIIC. Subsequently, the Company has received a stay order from the Hon'ble High Court granting interim suspension of the proceedings in said notice of APIIC. As on the reporting date, the matter involved is sub-judiced before the Hon'ble High Court of Andhra Pradesh.

(b) Refer Note No. 16, for information on Property, Plant and Equipment pledged as security by the Company.

** Adjustment in Plant & Equipment under gross carrying amount and accumulated of ₹ 14.82 Lakhs and ₹ 0.40 lakh respectively represent Capital subsidy receivable [refer note 24 (a)].

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

NOTE 5 : CAPITAL WORK IN PROGRESS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2020	As At March 31, 2019
Capital work in progress	67.08	102.15
	67.08	**102.15**
a) Breakup of Capital Work in Progress is as follows:		
Buildings	0.54	70.04
Plant and Equipment	66.54	32.11
	67.08	**102.15**

NOTE 6 : OTHER INTANGIBLE ASSETS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Computer Software	Website Development	Total
Gross Carrying Amount :			
As at April 01, 2018	27.98	-	27.98
Add: Additions during the year	4.26	-	4.26
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2019	**32.24**	-	**32.24**
Add: Additions during the year	-	49.51	49.51
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2020	**32.24**	**49.51**	**81.75**
Amortisation and impairment			
As at March 31, 2018	**14.08**	-	**14.08**
Add: Amortisation charge for the year	6.59	-	6.59
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2019	**20.67**	-	**20.67**
Add: Amortisation charge for the year	6.38	0.05	6.42
Less: Disposals/adjustments during the year	-	-	-
As at March 31, 2020	**27.05**	**0.05**	**27.09**
Net carrying amount			
As at March 31, 2020	**5.19**	**49.47**	**54.66**
As at March 31, 2019	**11.57**	-	**11.57**

NOTE 7 : NON-CURRENT INVESTMENTS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2020	As At March 31, 2019
Investment in Equity Shares of Associates (Carried at cost)		
Unquoted		
31,20,000 (March 31, 2019 : 31,20,000) Equity Shares of Proton Granito Private Limited of ₹ 10 each, fully paid up	417.99	400.22
26,00,000 (March 31, 2019 : 2,600,000) Equity Shares of Corial Ceramic Private Limited of ₹ 10 each, fully paid up	279.91	268.47
	697.90	**668.69**
a) Aggregate value of unquoted investments	**697.90**	**668.69**

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

b) Information about Associates

Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of equity Interest	
	As At March 31, 2020	As At March 31, 2019
(i) Proton Granito Private Limited, India, Manufacturing of Vitrified tiles	19.50 %	19.50 %
(ii) Corial Ceramic Private Limited, India, Manufacturing of Ceramic tiles	26.00 %	26.00%

NOTE 8 : OTHER FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Security Deposits (Refer to note 'a' and 'b' below)	316.70	313.16	10.64	6.92
Deposits with original maturity of more than 12 months (Refer to note 'c' and 'd' below)	-	3.65	-	-
Interest accrued on security deposits	-	-	13.86	19.06
Interest accrued on fixed deposits	-	0.38	2.23	2.72
	316.70	**317.19**	**26.73**	**28.70**

a) The Company has determined its security deposits are not in the nature of loans and accordingly have been classified as part of other financial assets.

b) Out of the above security deposit ₹ 10 lakh (March 31, 2019: ₹ 10 lakh) pertains to the related parties.

c) Fixed Deposits with a carrying amount of ₹ NIL (March 31, 2019 : ₹ 3.65 lakh) are pledged with Government Authorities.

NOTE 9 : OTHER ASSETS

(Unsecured, considered good, unless otherwise stated)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Capital Advances	20.35	17.39	-	-
Balance with Government Authorities	53.59	49.59	30.49	8.30
Advances to Employees	-	-	24.62	12.05
Advances to Suppliers	-	-	56.14	51.61
Subsidy Recoverable	-	-	75.00	-
Deferred Payment Assets (Refer Note 35)	-	8.83	-	4.21
Gratuity Fund (Refer Note 34)	-	-	170.34	61.65
Prepaid Expenses	12.96	17.35	99.11	119.66
Export Incentive Receivable	-	-	0.31	-
	86.90	**93.16**	**456.01**	**257.48**

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

NOTE 10 : INVENTORIES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials	743.94	697.90
Work In Progress	167.15	91.90
Finished Goods	5,908.36	6,124.50
Stock-in Trade	189.53	193.20
Stores and Spares	924.62	1,159.70
Goods In Transit-Stores & Spares	58.96	217.13
Packing Material	119.47	111.90
	8,112.03	**8,596.23**
Less : Provisions for Slow and Non moving Inventories - Finished Goods	52.89	50.56
	8,059.14	**8,545.67**

a) Refer Note No-16, for Information on above assets being pledged as security by the Company

b) For mode of valuation Refer Note 3(h).

NOTE 11 : TRADE RECEIVABLES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		As at March 31, 2020	As at March 31, 2019
- Considered Good - Secured	(A)	332.24	330.42
- Considered Good - Unsecured		8,381.56	11,334.48
Less: Allowance for Expected Credit Loss		21.22	43.41
	(B)	**8360.34**	**11,291.07**
	(A+B)	**8,692.58**	**11,621.49**

a) The Company has no trade receivables which have significant increase in credit risk and trade receivables which are credit impaired. (Refer Note 44)

b) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

c) Nor any trade or other receivable are due from firms or private companies in which any director is a partner, director or a member.

d) Trade receivables are generally on terms of not more than 90 days.

e) Refer Note 16, for Information on above assets being pledged as security by the Company.

NOTE 12 : CASH AND CASH EQUIVALENTS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks:		
- Current Account	3.37	7.33
Cash on Hand	4.61	0.85
Foreign Cash on Hand	3.48	2.47
	11.46	10.65

a) Refer Note 16, for Information on above assets being pledged as security by the Company

b) For the purpose of the statement of cash flow, the cash and cash equivalent are same given above.

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

NOTE 13 : BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENT

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Earmarked balances with banks		
- Unpaid Dividend Account (Refer note 'a' below)	10.16	11.99
- Deposits with original maturity of more than 3 months but less than 12 months (Refer note 'b' & 'c' below)	277.00	332.28
	287.16	**344.27**

a) Unpaid Dividend Accounts are restricted accounts and hence are re-classified from cash & cash equivalent to other bank balance as at March 31, 2020.

b) Fixed Deposits with a carrying amount of ₹ 277.00 Lakh (March 31, 2019 : ₹ 332.03 Lakh) are subject to first charge to secure the Company's loans from banks.

c) Fixed Deposits with a carrying amount of ₹ NIL (March 31, 2019 : ₹ 0.25 Lakh) are pledged with Government Authorities.

NOTE 14 : EQUITY SHARE CAPITAL

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised 4,00,00,000 (March 31, 2019 : 4,00,00,000) Equity Share of ₹ 10 each*	4,000.00	4,000.00
	4,000.00	**4,000.00**
Issued, subscribed and fully paid up 1,42,84,076 (March 31, 2019 : 1,42,48,576) Equity Share of ₹ 10 each*	1,428.41	1,424.86
	1,428.41	**1,424.86**

a) **Reconciliation of Issued and Subscribed Share Capital:**

Particulars	No. of shares*	Amount in ₹ Lakhs
Balance as at April 1, 2018	**1,42,31,076**	**1,423.11**
Add: ESOP shares issued during the year (Refer Note 41)	17,500	1.75
Balance as at March 31, 2019	**1,42,48,576**	**1,424.86**
Add: ESOP shares issued during the year (Refer Note 41)	35,500	3.55
Balance as at March 31, 2020	**1,42,84,076**	**1,428.41**

b) **Terms/ rights attached to equity shares:**

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2020, the amount of per share dividend proposed as distributions to equity shareholders was ₹ NIL per share (March 31, 2019 : ₹ 0.50 per share). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Details of Shareholders Holding More than 5% Shares In the Company**

Name of Party	As at March 31, 2020		As at March 31, 2019	
	No. of shares*	Holding %	No. of shares*	Holding %
Mr. Mahendra K Daga	31,52,761	22.07%	30,35,625	21.30%
Mr. Madhur Daga	12,97,417	9.08%	12,87,417	9.04%
Good Team Investment & Trading Company Private Limited	23,88,973	16.72%	23,88,973	16.77%

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

NOTE 14A : PREFERENCE SHARE CAPITAL

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised 1,50,00,000 (March 31, 2019: 1,50,00,000) Non Convertible Redeemable Cumulative Preference Shares of ₹ 10 each*	1,500.00	1,500.00
	1,500.00	**1,500.00**

* Number of Shares are given in absolute numbers.

NOTE 15 : OTHER EQUITY

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Reserve	25.57	25.57
Securities Premium	1,367.16	1,277.63
Capital Restructuring	46.16	46.16
Amalgamation Reserve	913.04	913.04
Share Options Outstanding Account	208.98	151.51
General Reserve	4,882.91	4,882.91
Retained Earnings	15,089.55	14,535.18
	22,533.37	**21,832.00**

Note :

i) For Movement during the period in Other Equity, refer “Statement of Change in Equity”

ii) **Nature and Purpose of Other Reserves**

a) **Capital Reserves**

Capital Reserve was carried forward under the previous GAAP from the books of amalgmating company at the time of Amalgamation.

b) **Security Premium Reserve**

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve will utilised in accordance with provisions of the Companies Act 2013.

c) **Capital Restructuring**

Capital Restructuring reserve was carried forward under the previous GAAP from the books of amalgmating company at the time of Amalgamation.

d) **Amalgamation Reserve**

Amalgamation reserve was created under the previous GAAP on the basis of scheme of amalgamation of Bell Ceramics Limited with the Company as approved by the High Court of Allahabad and Gujrat in the year ended March 31, 2012.

e) **Share Options Outstanding Account**

The Company has stock option schemes under which options to subscribe for the Company’s shares have been granted to certain employees including key management personnel. The Share Options Outstanding Account is used to recognise the value of equity-settled share-based payments provided to employees, as part of their remuneration. The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

f) **General Reserve**

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

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

g) **Retained Earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. All the profits made by the Company are transferred to retained earnings from statement of profit and loss. However retained earnings includes ₹ 4,496.02 Lakh (March 31, 2019 : ₹ 4,340.04 Lakh) on account of amount transferred from revaluation reserve which is not available for distribution.

NOTE 16 : BORROWINGS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Secured Loans				
Term Loan				
From Banks				
Corporate loans	1,819.31	2,863.37	1,044.06	854.63
Vehicle loans	14.39	38.10	23.70	25.90
From Financial Institution				
Corporate loans	-	99.86	99.86	199.19
Vehicle loans	1.79	12.05	10.27	9.52
Cash Credit Facilities From Banks	-	-	602.42	4,301.76
Unsecured Loans				
Term Loan From:				
- Bank				
Corporate loans	-	-	-	193.53
- From Related Parties	1,500.00	1,500.00	-	-
	3,335.49	4,513.38	1,780.32	5,584.53
Less: Amount disclosed under the head "Other Financial Liabilities" (refer note 17)	-	-	1,177.90	1,282.77
	3,335.49	4,513.38	602.42	4,301.76

a) For Interest rate and Liquidity risk related disclosures, refer note 44.

b) **The Nature of Security for Term Loan are** :

i) The above Secured Loans, ₹ 3,013.38 Lakh (March 31, 2019: ₹ 4,102.63 Lakh) are secured by way of first pari passu charge on entire fixed assets excluding assets having specific charge, both present and future, and collaterally by way of second pari passu charge on the current assets of the Company. These pertains to various bankers and financial institution namely, Tata Capital Financial Services Ltd, ICICI Bank, IDFC Bank and Axis Bank.

ii) Vehicle loans are secured by way of hypothecation of respective vehicles with the various bankers and financial institution namely, Daimler Financial Services India Pvt Ltd, HDFC Bank, ICICI Bank and Axis Bank.

c) **The Nature of Security for Cash Credit Facility are** :

i) The Company has a consortium of Various bankers namely State Bank of India, Punjab National Bank, IDBI Bank, Indus Ind Bank , IDFC Bank and Axis Bank (hereafter called the “Consortium”) for Non Current Borrowings (secured).

ii) The above Cash Credit facility of ₹ 602.42 Lakh (March 31, 2019: ₹ 4,301.76 Lakh) are primarily secured by way of first pari passu charge on entire current assets of the Company and collaterally by way of second pari passu charge on the entire fixed assets excluding assets having specific charge, both present & future.

iii) These cash credit facility carries interest rate ranges from 8.50% to 11.75% per annum.

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

d) **Maturity Profile- Secured Term Loans** (All amounts in ₹ lakhs, unless otherwise stated)

Maturity profile of Secured Term Loans is as set out below :	2020-21	2021-22	Beyond 2021-22
Term loan from Banks and Financial Institution are repayable in monthly/ quarterly/yearly installments	1,143.92	883.11	936.20
Vehicle loans from banks and Financial Institution are repayable in monthly installments	33.98	16.18	-

e) The term loan(s) carries rate of interest ranging between 7.49% to 12.10% per annum.

f) **In respect of unsecured loan :**
From Bank was secured against property of Promoter at Kolkata.
From related parties: This will be repaid after the payment of entire term loans of bank. Interest rate carries at the rate of 9.5%.p.a.

NOTE 17 : OTHER FINANCIAL LIABILITIES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long Term borrowings (Refer Note 16)	-	-	1,177.90	1,282.77
Trade Deposits (Refer note 'a' & 'b' below)	1,018.46	1,006.37	-	-
Earnest Money Received from Employees	34.36	29.41	0.54	0.54
Security From Employees	-	1.88	1.88	-
Interest Accrued but not due on Borrowings	-	-	36.83	14.50
Unpaid Dividends (Refer Note 'c' below)	-	-	10.16	11.99
	1,052.82	1,037.66	1,227.30	1,309.80

a) Trade deposits are repayable on cessation of business transaction with dealers. The trade deposits carry rate of interest @ 7% to 10% per annum.

b) Trade deposits are not in the nature of borrowings and hence are grouped under Other Financial Liabilities as at March 31, 2020 and March 31, 2019.

c) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2020 (March 31, 2019: Nil).

NOTE 18 : PROVISIONS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits				
Compensated Absenses (Refer Note 34)	153.41	233.43	42.51	53.82
Other Provisions				
Lease Equalisation Reserve	-	8.85	-	2.81
	153.41	242.28	42.51	56.63

NOTE 19 : DEFERRED TAX LIABILITIES (NET)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Gross Deferred Tax Liabilities	2,369.40	3,097.00
Gross Deferred Tax Assets	(173.36)	(144.21)
Minimum Alternate Tax Credit Entitlement	-	(233.01)
	2,196.03	2,719.78

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

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2019
Deferred tax assets relates to the following:				
Provision for Employee Benefits	144.79	(8.25)	(34.26)	102.28
Lease equalisation reserve	3.28	0.79	-	4.07
Provision for Slow Moving of Inventories	7.04	10.63	-	17.69
Deferred Assets	0.43	0.41	-	0.84
Allowance for Expected Credit Loss	13.41	1.75	-	15.17
Others	0.20	3.97	-	4.16
	169.16	**9.29**	**(34.26)**	**144.21**
Deferred tax liability relates to the following:				
Property, plant and equipment	2,746.96	321.36	-	3,068.32
Borrowing (EIR)	1.49	5.66	-	7.14
Gratuity	-	21.54	-	21.54
Others	0.76	(0.76)	-	-
	2,749.20	**347.80**	**-**	**3,097.00**
Minimum Alternate Tax Credit Entitlement	60.29	172.72	-	233.01
Total deferred tax assets/(liabiities) (Net)	**2,519.75**	**165.79**	**34.26**	**2,719.78**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At April 01,2019	Adjusted against Current tax	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31,2020
Implementation of Ind AS 116: Leases (Refer Note 35) *	47.45	-	-	-	47.45
Deferred tax assets relates to the following:					
Provision for Employee Benefits	102.28	-	(31.00)	(21.97)	49.31
Lease equalisation reserve	4.07	-	(4.07)	-	-
Provision for Slow Moving of Inventories	17.69	-	(4.25)	-	13.44
Deferred Assets	0.84	-	(0.84)	-	-
Allowance for Expected Credit Loss	15.17	-	(9.83)	-	5.34
Right-of-use assets (ROU)	-	-	52.83	-	52.83
Others	4.16	-	0.83	-	4.99
	191.66	**-**	**3.67**	**(21.97)**	**173.36**
Deferred tax liability relates to the following:					
Property, plant and equipment	3,068.32	-	(845.53)	-	2,222.79
Borrowing (EIR)	7.14	-	(4.18)	-	2.96
Lease Liability (Refer Note 35)	-	-	100.78	-	100.78
Gratuity	21.54	-	21.33	-	42.87
	3,097.00	**-**	**(727.61)**	**-**	**2,369.40**
Minimum Alternate Tax Credit Entitlement	233.01	(127.71)	(105.30)	-	-
Total deferred tax assets/(liabiities) (Net)	**2,672.33**	**127.71**	**(625.98)**	**21.97**	**2,196.03**

* Impact on opening balance of ₹62.94 as on April 01, 2019 represents tax impact on retained earnings on implementation of Ind AS 116: Leases (Refer Note 35)

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

a) MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

b) The Government of India has issued the Taxation Laws (Amendment) Act, 2019, which provides domestic companies an option to pay corporate tax at reduced rates effective April 1, 2019 subject to certain conditions. The Company intends to opt for lower tax regime from assessment year 2021-22 and accordingly the impact has been considered in computing deferred tax. During the year, Company has utilized ₹127.70 Lakh Mat Credit Entitlement against payment of current tax for Assessment year 2020-21 and written of balance MAT Credit Entitlement of ₹126.23 Lakh as the benefit of MAT credit is not available to Companies which opts for lower corporate tax rate.

NOTE 20 : TRADE PAYABLE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
- Outstanding Dues to Micro and Small Enterprises	-	2.57
- Total Outstanding Dues to Parties Other than Micro and Small Enterprises	7,728.31	7,085.45
	7,728.31	**7,088.02**

a) Trade payables are non-interest bearing and are normally settled within 90-day terms except for SME's (if any) which are settled within 45 days.

b) Trade payables to related parties amounts to ₹ 1,344.19 Lakh as at March 31, 2020 (March 31, 2019 : ₹ 921.24 Lakh)

c) Trade payables includes ` NIL as at March 31, 2020 (March 31, 2019 : ₹ NIL) on account of acceptances.

d) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 & as certified by the management, the amount due to Micro, & small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
- The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	-	2.57
- The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
- The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
- The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
- The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

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

NOTE 21 : OTHER CURRENT LIABILITIES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues	289.59	801.74
Advance from Customers	424.83	464.53
	714.42	**1,266.27**

NOTE 22 : CURRENT TAX (ASSETS) / LIABILITIES (NET)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Income Tax {Net of Advance Tax ₹ 231.99 lakh (March 31, 2019 : ₹ 225.70 lakh)}	(47.34)	79.24
	(47.34)	**79.24**

NOTE 23 : REVENUE FROM OPERATIONS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of Product		
Finished Goods	30,762.41	36,935.29
Traded Goods	19,156.41	21,139.72
Revenue from Operations (Gross)	49,918.82	58,075.01
Less: Cash Discount and Other Scheme	(862.51)	(1,130.26)
	49,056.31	56,944.75
Other Operating Revenues		
Export Incentive	0.31	-
Miscellaneous Sale	84.24	71.59
Insurance Claim (Net)	87.76	97.56
Revenue from operations (Net)	**49,228.62**	**57,113.90**

a) **Performance Obligation**

Revenue is recognised upon transfer of control of products to the customers.

During the year, the Company has not entered into long term contracts with customers and accordingly disclsoure of unsatisfied or remaining performance obligation (which is affected by several factors like changes in scope of contracts, periodic revalidations, adjustment for revenue that has not been materialized, tax laws etc.) is not applicable to the Company.

b) **Disaggregation of Revenue**: The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread of the operations of the Company. The Company believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
- Within India	48,312.41	55,979.11
- Outside India	743.90	965.64
	49,056.31	56,944.75

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

c) Reconciliation of Revenue from operations with contracted price

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Contracted Price (Net of Sale return)	49,918.82	58,075.01
Less: Discounts and Other Schemes	862.51	1,130.26
	49,056.31	**56,944.75**

d) **Trade Receivables and Contract Balances**

For Trade Receivables, refer Note No. 11.

Further, the Company has no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;

- it does not adjust any of the transaction prices for the time value of money, and

- there is no unbilled revenue as at March 31, 2020.

NOTE 24 : OTHER INCOME

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income		
- On Fixed deposits	18.24	24.18
- Others	20.33	16.12
Government Grant (Refer Note “a” below)	60.18	-
Depreciation written back on capital subsidy (refer foot note of note 4)	0.40	-
Bad debts written off earlier now realized	138.75	43.44
Excess liability written back	120.57	39.66
Provision for compensated absences written back (Refer Note 34)	54.77	-
Allowances for doubtful debts written back	22.19	-
Profit on sale of property, plant and equipment	-	51.65
Unwinding of discount on deposits	6.23	5.85
Miscellaneous Income	83.20	12.61
	524.86	**193.51**

a) The Company had made fixed capital investment in MF 4 project of ₹ 5725.75 Lakh in 2018-19 at its plant located at Sikandrabad. For this project the Company is eligible for certian incentive under Pradeshiya Industrial & Investment Corporation Scheme (‘PICUP’) as per Rules issued by Industrial Investment and employment promotion policy of Uttar Pradesh 2017 (IIEPP -2017 Rules). Under this Scheme, during the year, Company has received Letter of Comfort (‘LOC’) dated 17.01.2020 from The Pradeshiya Industrial & Investment Corporation of UP Ltd. and has been granted status of ‘Large scale unit’ under IIEPP – 2017. As per LOC, the Company has been granted following benefits:

- Reimbursement of net SGST component of GST amount deposited by the company as per para 3.2 of the IIEPP -2017 Rules
- Capital Interest subsidy (@5% or actual whichever is lower) as per 3.5.1 of the IIEPP -2017 Rules
- Reimbursement of disallowed input tax credit as per para 3.5.7 of the IIEPP -2017 Rules.

The Company has paid total interest on loan taken from bank for this project upto March 31, 2020 is ₹ 391.24 Lakh (including interest ₹ 142.18 Lakh paid for the period Sept’18 to March 19). Out of total interest paid, interest of ₹ 14.82 Lakh has been capitalized as per Ind AS 23 and balance have been charged to the Statement of Profit and Loss. Company has reasonable assurance that it will comply with all the conditions as mentioned in the LOC and IIEPP-2017 Rules and is also certain that it will receive the grant. Based on above assurance and based on an expert opinion, Company has accounted for interest subsidy of ₹ 75.00 Lakh (including interest subsidy of ₹14.82 Lakh has been ajdusted against related assets) only and has not account for balance interest subsidy and GST reimbursement as are available to the Company under PICUP pending final calculation.

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

NOTE 25 : COST OF RAW MATERIAL CONSUMED

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Material		
Balance at the beginning of the Year	697.90	1,405.71
Add:- Purchases during the year	7,176.18	8,227.97
Less:- Balance at the end of the Year	743.94	697.90
Total Raw Material Consumption	**7,130.14**	**8,935.78**

NOTE 26 : PURCHASE OF STOCK IN TRADE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Stock In Trade	16,355.61	17,327.73
	16,355.61	**17,327.73**

NOTE 27 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the beginning of the year			
Work-in-progress		91.90	76.50
Finished Goods		6,124.50	5,595.79
Stock-in Trade		193.27	145.13
	(A)	6,409.67	5,817.42
Inventories at the end of the year			
Work-in-progress		167.15	91.90
Finished Goods		5,908.36	6,124.50
Stock-in Trade		190.05	193.27
	(B)	6,265.57	6,409.67
(Increase) / Decrease in Inventory	(A-B)	144.10	(592.25)

NOTE 28 : EMPLOYEE BENEFITS EXPENSE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, Wages & Bonus	6,677.19	6,756.45
Compensated Absences*	-	36.74
Contribution to Provident and Other fund*	215.98	246.65
Expense on employee stock option schemes**	151.71	113.09
Gratuity Expense*	83.10	124.56
Staff Welfare Expenses	227.18	287.16
	7,355.16	**7,564.65**

* Refer Note 34

** Refer Note 41

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

NOTE 29 : FINANCE COST

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Expense		
- On Term loans	350.89	309.87
- On Lease Liability	97.77	-
- On Cash Credit & Working Capital Facilities	90.28	313.82
- Delayed Payment of Advance Taxes	3.45	4.25
- Others	174.96	174.30
Letter of Credit Charges	24.47	19.33
Charges for Borrowing Facilities	67.44	49.30
	809.26	870.87

NOTE 30 : DEPRECIATION AND AMORTIZATION EXPENSE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of Tangible Assets	1,829.23	1,645.54
Amortization of Intangible Assets	6.42	6.59
Amortization of Right-of-use assets	222.94	-
	2,058.58	1,652.13

NOTE 31 : OTHER EXPENSES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Stores & Spares consumed	970.28	1,412.43
Packing Material Consumed	1,395.21	2,098.85
Gas & fuel	6,848.37	8,746.04
Electricity	1,818.14	1,907.25
Rent (Refer Note '35')	53.02	387.03
Hire Charges	393.06	457.27
Rates & Taxes	41.81	39.47
Insurance	30.83	34.83
Repair & Maintenance		
Plant & Machinery	181.26	223.13
Buildings	60.31	66.62
Other	173.42	158.80
Designing & Processing	17.96	19.99
Freight & Forwarding Charges	576.35	887.14
Advertisement and Sales Promotion	1,632.80	1,963.72
Legal & Professional Expenses	140.79	212.57
Travelling & Conveyance	779.95	907.79
Communication Costs	61.54	75.42
Printing & Stationery	44.70	50.47
Bank charges	1.83	2.48

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

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Payment to the Auditors (Refer note 'a' below)	28.43	23.51
Exchange Fluctuation (Net)	1.39	28.91
Bad debts written off	-	8.40
Provision for Slow Moving of Inventories- Finished Goods	2.32	30.21
Allowances for doubtful debts	-	12.20
Loss on sale of property, plant and equipment	11.10	-
Property, plant and equipment written off	12.69	-
Corporate Social Responsibility (Refer note 'b' below)	45.00	44.87
Miscellaneous Expenses	315.09	377.77
Total	**15,637.66**	**20,177.17**

a) Details of payment made to auditors is as follows:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditor:		
- Statutory Audit Fee	20.00	15.75
- Other Services	7.50	6.43
- Reimbursement of Expenses	0.93	1.33
	28.43	**23.51**

b) The Company has spent ₹ 45.00 Lakh (March 31, 2019 : ₹ 44.87 Lakh) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. The details are as follows:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits of last three years)	43.58	44.84
(ii) Amount spent during the year		
i) Construction/acquisitions of any asset	-	-
ii) For purposes other than (i) above		
a) Paid to Godavari Foundation	30.12	42.25
b) Activities for Ensuring Environmental Sustainability and Others	14.88	2.62
	45.00	**44.87**

(iii) Above includes a contribution of ₹ 30.12 Lakh (March 31, 2019: ₹ 42.25 lakh) to an entity (Godavari Foundation) over which KMP has significant influence and which is an entity registered under section 12A of the Income Tax Act 1961, with the main objectives of working in the areas of social, economic and environmental issues such as rural development programme, granting aid to Institutions, school, colleges etc for Orphan Children and for poor students/people for their education and social welfare and establishing and maintaining schools, tube well for general public and also engaged in women empowerment by enhancing their means and capabilities to meet the emerging opportunities.

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

NOTE 32 : INCOME TAX

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

STATEMENT OF PROFIT AND LOSS:

Profit or loss section

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Tax Expense :		
a) Current tax	184.65	302.55
b) Mat Credit Entitlement *	(20.93)	(172.72)
c) Adjustments in respect of current income tax of previous year	21.60	13.42
d) Mat Credit Entitlement written off (Refer Note 19(b))	126.23	-
e) Deferred tax	(731.28)	338.49
Income tax expense reported in the statement of profit or loss	**(419.73)**	**481.74**

* Current year figure represents adjustment made to mat credit entitlement which is related to earlier years on account of actualisation of same with income tax return for assessment year 2019-20.

OCI section

Deferred tax related to items recognised in OCI during the year:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Net loss/(gain) on remeasurements of defined benefit plans	(21.97)	(34.26)
Net amount charged to OCI	**(21.97)**	**(34.26)**

Other Equity section

Deferred tax related to items recognised in Retained Earnings:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Implementation of Ind AS 116: Leases	47.45	-
Net amount charged to Other Equity	**47.45**	-

Reconciliation of tax expense and the accounting Profit multiplied by India's Domestic tax rate for March 31, 2020 and March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Accounting profit before income tax	**292.18**	**1,410.02**
At India's statutory income tax rate of 33.384% (March 31, 2019: 34.944%)	97.54	492.72
Adjustments in respect of current income tax of previous years	0.67	13.42
Tax Effect of Expenses not deductable for tax purposes	16.17	44.16
Effect of change in tax rate (Refer Note 19)	(649.59)	-
Mat Credit Entitlement written off	126.23	-
Deferred Tax on Freehold Land	(26.38)	(24.55)
Investment in Associates	(9.75)	(13.52)
Others	-	3.77
At the effective income tax rate	**(445.00)**	**516.00**
Income tax expense reported in the Statement of Profit and Loss	**(445.00)**	**516.00**
Difference	-	-

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

NOTE 33 : EARNINGS PER SHARE (EPS)

Earning per share (EPS) is determined based on the net profit attributable to the shareholder before other comprehensive Income. Basic earning per share is computed using the weighted average number of equity shares outstanding during the year whereas Diluted Earning per share is computed using the weighted average number of common and dilutive equivalent shares including Employee Stock Options except for the case where the result become anti-dilutive.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to the equity holders		711.91	928.28
Weighted average number of equity shares for Basic EPS	(A)	1,42,73,357	1,42,47,809
Basic earnings per share (in ₹) (face value ₹ 10 per share)		**4.99**	**6.52**
Weighted average number of potential equity shares on account of employee stock options	(B)	1,42,992	1,22,499
Weighted average number of Equity shares (including dilutive shares) outstanding for Dilutive EPS	(A+B)	1,44,16,349	1,43,70,308
Diluted earnings per share (in ₹) (face value ₹ 10 per share)		**4.94**	**6.47**

a) For the year ended March 31,2020 and March 31,2019, the dilution is considered on account of non vested ordinary shares under Employee stock Option Scheme 2018 in accordance with Para 48 of Ind AS 33.

NOTE 34 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

a) **Defined Contribution Plans**

The Company makes contribution towards Employees Provident Fund and Employee's State Insurance scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognised the following amount in the Statement of profit and loss account under company's contribution to defined contribution plan.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's Contribution to Provident Fund and other Fund	207.75	224.60
Employer's Contribution to Employee State Insurance	8.23	22.05
Total	**215.98**	**246.65**

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) **Defined Benefit Plans**

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation. This method is used in following cases:-

i) **Gratuity Scheme**

The Company has defined benefit gratuity plan. Gratuity is calculated as 15 days salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination/ resignation. The benefit vests on completing 5 years of service by the employee. The Company makes provision of such gratuity asset/ Liability in the books of accounts on the basis of acturial valuation as per projected unit credit method; net with annual contribution made by Company to insurer to provide gratuity benefits by taking scheme of insurance.

ii) **Compensated Absences**

The Company operates compensated absences plan wherein all permanent employees of the Company are entitled to the benefit equivalent to 21 days leave salary for every completed year of service subject to maximum 50 accumulations of

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

leaves except in case of Dora Workers/SKD Workers where maximum accumulation is 60/30 days respectively. The salary for calculation of earned leave is last drawn salary. The same is payable during service, on retirement, withdrawal of scheme, resignation by employee and upon death / disability of employee.

c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences). These have been provided on accrual basis, based on year end actuarial valuation.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2020		As At March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Change in Benefit Obligation				
1. Opening Defined Benefit Obligation	911.45	287.25	965.36	307.84
2. Interest cost	66.53	20.97	70.47	22.47
3. Current service cost	78.84	50.63	119.69	59.07
4. Past Service cost	-	-	-	-
5. Benefits paid	(127.24)	(36.55)	(159.60)	(57.33)
6. Actuarial (gain) / loss on obligation	(122.26)	(126.38)	(84.47)	(44.80)
Present value of obligation as at the end of the year	**807.32**	**195.92**	**911.45**	**287.25**

d) The Following Tables summarise the Net Benefit Expense Recognised in the Statement of Profit or Loss :

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2020		As At March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Service cost	78.84	50.63	119.69	59.07
Net Interest cost	4.26	20.97	4.87	22.47
Remeasurments	-	(126.38)	-	(44.80)
Net cost	**83.10**	**(54.77)**	**124.56**	**36.74**

e) Changes in the Fair Value of the Plan Assets are as Follows:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2020		As At March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	973.09	-	898.68	-
Expected Return on Plan Assets	62.27	-	65.60	-
Employer's Contribution	-	-	-	-
Benefits paid	(22.72)	-	(4.77)	-
Actuarial gains / (losses) on the Plan Assets	(34.97)	-	13.58	-
Fair Value of Plan Assets at the End	**977.67**	-	**973.09**	-

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

f) Detail of Actuarial (Gain)/loss Recognised in OCI is as Follows:

Gratuity (Funded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
1) Amount recognised in OCI, (Gain) / Loss Beginning of period	(34.03)	64.02
2) **Remeasurement Due to:**		
Effect of Change in Financial Assumptions	(125.54)	34.03
Effect of Change in Demographic Assumption	(0.07)	(29.13)
Effect of Experience Adjustment	3.36	(89.37)
(Gain)/Loss on Curtailments/Settlements	-	-
Return on Plan Assets (Excluding Interest)	34.97	(13.58)
Changes in Asset Ceiling	-	-
Total amount recognised in OCI (Gain)/Loss, End of Period	**(121.31)**	**(34.03)**

g) Principal actuarial assumptions at the balance sheet date are as follows:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2020		As At March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Economic assumptions				
1 Discount rate	6.40%	6.40%	7.30%	7.30%
2 Rate of Increase in Compensation Levels	5.00%	5.00%	8.50%	8.50%
3 Expected Rate of Return on Assets	6.40%	NA	7.30%	NA
Demographic assumptions				
1 Retirement Age (years)	58/60	58/60	58/60	58/60
2 Mortality Table	Indian Assured Lives Mortality (2012-14) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate	
Employee Turnover / Attrition Rate				
1 Ages up to 30 Years	10.00%	10.00%	10.00%	10.00%
2 Ages from 30-45 years	10.00%	10.00%	10.00%	10.00%
3 Above 45 years	10.00%	10.00%	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2020		As At March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Present value of Defined Benefit Obligation	807.32	195.92	911.45	287.25
Fair value of plan assets	977.67	-	973.09	-
Net Defined Benefit (assets) / liability	**(170.34)**	**195.92**	**(61.64)**	**287.25**

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

i) A Quantitative Sensitivity Analysis for Significant Assumption is as Shown Below:

Gratuity (Funded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
A. Discount rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Discount Rate	(39.89)	(48.75)
Effect on Defined Benefit Obligation due to 100 basis points decrease in Discount Rate	46.20	52.62
B. Salary escalation rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Salary Escalation Rate	46.38	51.48
Effect on Defined Benefit Obligation due to 100 basis points decrease in Salary Escalation Rate	(40.79)	(48.66)

Leave Encashment (Unfunded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
A. Discount rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Discount Rate	(11.59)	(17.88)
Effect on Defined Benefit Obligation due to 100 basis points decrease in Discount Rate	13.11	20.21
B. Salary escalation rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Salary Escalation Rate	13.16	19.78
Effect on Defined Benefit Obligation due to 100 basis points decrease in Salary Escalation Rate	(11.84)	(17.84)

The Sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

j) Risk

Salary Increases	Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount Rate	Reduction in discount rate in subsequent valuations can increase the liability.
Mortality and disability	Actual details and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.

C. Maturity Profile of Defined Benefit Obligation is as Follows:

Gratuity (Funded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Within the next 12 months (next annual reporting period)	194.16	196.82
Between 2 and 5 years	476.79	528.16
Between 6 and 10 years	992.52	1,020.01

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

NOTE 35 : LEASES

Until March 31, 2019, the Company recognized leases in accordance with Ind AS 17. A lease was defined as an agreement whereby the lessor conveys to the lessee in return for a series of payments the right to use an asset for an agreed period of time. The lessor and lessee accounted for the lease on the basis of the distribution of the risks and rewards associated with the leased asset.

In so far as all the substantial risks and rewards were transferred to the Company as lessee, the respective leased assets were capitalized at fair value or the lower present value of the minimum lease payments and depreciated using the straight-line method on the basis of the useful life of the underlying asset or the lease term, if this was shorter. The payment obligations resulting from future lease payments were discounted and recognized as a liability.

Where the Company was the lessee in operating leases, in other words, if not all material risks and rewards were transferred, the lease or rental payments were recognized directly as expenses in the statement of Profit and Loss.

Since April 1, 2019, the Company has recognized leases in accordance with Ind AS 116. This defines a lease as a contract, or part of a contract, whereby the lessor conveys to the lessee the right to use an asset for an agreed period of time in exchange for consideration.

Transition approach and use of practical expedients

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and has applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

Company as a lessee

Operating Leases

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of ₹1,010.12 lakh and a corresponding lease liability of ₹1,197.28 lakh has been recognized. The cumulative effect on transition in retained earnings is ₹141.09 lakh (net of deferred tax of ₹47.45 lakh) (for detail please refer note below). The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 9.00% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

Some practical expedients permitted by the standard are used, notably:

- To not reassess upon transition whether an existing contract contains a lease. The definition of a lease under Ind AS 116 has been applied only to contracts entered into or changed on or after April 01, 2019.
- For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset
- The recognition exemptions for short-term leases and leases of low-value assets.
- To apply Ind AS 37 for onerous leases instead of performing an impairment review.

Presentational changes: As a result of implementing Ind AS 116, the Company has made a some presentational changes in 2019-2020, notably to present 'Right-of-use assets' as a separate line item in the balance sheet and to include lease liabilities in other current and non-current liabilities.

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

Transition impact of Ind AS 116 on company's balance sheet

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	Application of Ind AS 116	Revised As At April 01, 2019
Right-of-use assets	-	1,010.12	1,010.12
Other Non Current Assets	8.83	(8.83)	-
Other Current Assets	4.21	(4.21)	-
Total Assets	**45,871.68**	**997.08**	**46,868.76**
Equity Share Capital	1,424.86	-	1,424.86
Other Equity	21,832.00	(141.09)	21,690.91
Deferred Tax Liabilities (Net)	-	(47.45)	(47.45)
Lease Liabilities	-	1,197.28	1,197.28
Non Current Provisions	8.85	(8.85)	-
Current Provisions	2.81	(2.81)	-
Total Equity and Liabilities	**45,871.68**	**997.08**	**46,868.76**

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

(All amounts in ₹ lakhs, unless otherwise stated)

Right-of-use assets: movements in carrying value of assets	Buildings
Gross Block as at March 31, 2019	-
Cumulative catch-up for previously reported operating leases on implementation of IND AS 116	1,010.12
Gross Block as at April 01, 2019	1,010.12
Add: Additions during the year	-
Less: Disposals / adjustments during the year	-
Gross Block As at March 31, 2020	**1,010.12**
Accumulated Depreciation :	
As at April 01, 2019	-
Add: Depreciation charge for the year	222.94
Less: Disposals/adjustments during the year	-
As at March 31, 2020	**222.94**
Net Block :	
As at March 31, 2020	**787.19**

In 2019-20, there were no impairment charges recorded for right-of-use assets.

(All amounts in ₹ lakhs, unless otherwise stated)

Leases: movements in carrying value of recognised liabilities	
As At April 01, 2019	-
Cumulative catch-up for previously reported operating leases on implementation of Ind AS 116	1,197.28
As At April 01, 2019 (Revised)	**1,197.28**
Interest expense on lease liabilities	97.77
Repayment of lease liabilities	292.65
As At March 31, 2020	**1,002.40**
Non-current lease liabilities	(785.22)
Current lease liabilities	(217.18)
Total lease liabilities	**(1,002.40)**

The maturity analysis of lease liabilities is given in Note 44 in the 'Liquidity risk' section.

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

Leases: Cash Flows

Included in cash flows from operating activities is ₹53.02 lakh and Included in cash flows from financing activities ₹ 292.65 lakh.

Cash flows from operating activities include cash flows from short-term lease and leases of low-value assets. Cash flows from financing activities include the payment of interest and the principal portion of lease liabilities .

Leases committed and not yet commenced: There are no leases committed which have not yet commenced as on reporting date.

Company as a Lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Company does not have any significant impact on account of sub-lease on the application of this standard.

The Company has given its building space, lying under property, plant and equipments, on operating lease through operating lease arrangements. Income from operating leases is recognised as revenue on a straight-line basis over the lease term.

Lease income of ₹0.98 Lakh (March 31, 2019: ₹1.34 Lakh) has been recognised and included under revenue from operations.

NOTE 36 : CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR) AND COMMITMENTS

(i) **Commitments**

Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the consolidated financial statements, amounts to ₹40.75 Lakh (March 31, 2019: ₹41.54 Lakh). The Company does not have any other long term commitments or material non-cancellable Contractual Commitments, which may have a material impact on the consolidated financial statements.

(ii) **Contingent Liabilities**

a) The Company has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the Company to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the Company has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).

The Company does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Company. Also, the Company does not expect any reimbursements in respect of the below contingent liabilities.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
i) Claims against Company not acknowledged as debt	1,770.35	1,975.01
- Interest on above	968.14	784.01
ii) **Other money for which the Company is contingently liable**		
Disputed liability under Income Tax	5.22	373.81
Disputed liability under Sales Tax	864.69	294.86
- interest on Sales Tax dispute	5.02	13.73
Disputed liability under Excise/Custom/Service Tax	96.18	102.69
b) Bank Guarantee (Net of Margins)	77.57	131.03

c) The Company has not made the provision of bonus for the F.Y. 2014-15 on account of retrospective amendment made by The Payment of Bonus (Amendment) Act , 2015 keeping in view the disposal of writ petition vide order no. WP(C) NO. 3024/2016 (C) dated 27th January 2016 passed by the Hon'ble Kerala High Court.

d) The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952.

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

NOTE 37 : CAPITAL MANAGEMENT

The Company's objective for managing capital is to ensure:

- ability to continue as a going concern, so that the Company can continue to provide returns to shareholders and benefits for other stakeholders, and
- maintain optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital structure using Gearing Ratio, which is calculated as under:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		As at March 31, 2020	As at March 31, 2019
Borrowings		5,115.80	10,097.91
Less: Cash and Bank Balance		(298.62)	(354.92)
Adjusted Net Debt	(A)	**4,817.18**	**9,742.99**
Equity Share Capital		1,428.41	1,424.86
Other Equity		22,533.37	21,832.00
Total Capital	(B)	**23,961.78**	**23,256.86**
Net Debt and Capital	(C= A+B)	**28,778.96**	**32,999.85**
Gearing ratio		**0.17**	**0.30**

a) No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

b) For the purpose of capital management, capital includes issued equity capital and all other reserves attributable to the equity holders of the Company.

NOTE 38 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

The Company does not have any long term contracts including derivative Contracts for which there are any material forseeable losses. The amount of foreign currency exposure that are not hedged by derivative instruments or otherwise are as under :

Particulars	As At March 31, 2020		As At March 31, 2019	
	Foreign Currency (in Lakh)	Amount in INR (Lakh)	Foreign Currency (in Lakh)	Amount in INR (Lakh)
Import of Raw Material and Stores				
Euro	0.45	37.75	0.07	5.63
US $	0.002	0.15	0.005	0.34

NOTE 39 : SEGMENT INFORMATION

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. In Orient Bell Limited, the decision makers view the operating results internal division wise (Ceramic, Vitrified Polished). Accordingly, such segments may be presented under Ind AS 108. However, these segments have been aggregated because the core principles, economic characteristics, nature of products, production process, distribution method, regulatory environment and type of customers in all the divisions are similar. Hence the disclosure requirement of Ind AS 108 of "Segment Reporting" is not considered applicable. Further the Company sells its prducts mostly within India with insignificant export income and does not have any operation in economic environment with different risk and returns, hence its considered operating in single geographical segment.

Major Customer: No single customers contributed 10% or more to the Company's revenue for both March 31, 2020 and March 31, 2019.

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

NOTE 40 : RELATED PARTY DISCLOSURE

a) List of related parties

Name of Related Party	
Proton Granito Private Limited	Associate Company
Corial Ceramic Private Limited	Associate Company
Mahendra K. Daga - HUF	Entity over which KMP exercise Control and/or Significant Influence
Goodteam Investment & Trading Co. Private Limited	Enterprise over which KMP exercise Control and/ or Significant Influence
Freesia Investment and Trading Co. Limited	
Alfa Mercantile Limited	
Morning Glory Leasing & Finance Limited	
Iris Designs Private Limited	
Freesia Farms Pvt Limited	
Elit Tile Solutions Pvt Limited	
Mithleash Infrastructure Pvt Limited	
Orchid Farmscapes Pvt Limited	
Godavari Foundation	
Mahendra K. Daga, Chairman and Whole Time Director	Key Managerial Personnel
Madhur Daga, Managing Director (MD)	
Kashinath Martu Pai, Director	
Yogesh Mendiratta, Company Secretary (CS)	
Aditya Gupta (CEO)	
Himanshu Jindal (CFO) (From December 2018)	
Sarla Daga w/o Mahendra Kumar Daga	Relative of Key Managerial Personnel
Roma Monisha Sakraney Daga w/o Madhur Daga	Relative of Key Managerial Personnel

b) Transactions with related parties (Including bifurcation of material transaction)

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Relationship	Nature of Transaction	For the Year ended March 31,2020	For the Year ended March 31, 2019
Mr. Mahendra K. Daga	Key Managerial Personnel	Interest Payments	78.88	78.66
		Managerial & KMP Remuneration	168.87	204.25
		Rent Paid	12.00	12.00
Mrs. Sarla Daga	Relative of Key Managerial Personnel	Interest Payments	38.58	38.47
		Rent Paid	0.24	0.24
M/s Mahendra K. Daga - HUF	Entity owned or significantly influenced by KMP or their relatives	Interest Payments	21.43	21.37
Freesia Investment and Trading Co. Limited	Enterprise owned or significantly influenced by KMP or their relatives	Rent Paid	71.19	67.80
Mr. Madhur Daga	Key Managerial Personnel	Managerial Remuneration (including post employment benefit and short term employee benefits)	97.76	117.97
Mr. K.M.Pai	Key Managerial Personnel		-	90.35
Mr. Aditya Gupta	Key Managerial Personnel		252.11	228.99
Mr. Himanshu Jindal	Key Managerial Personnel		76.26	31.23
Mr. Yogesh Mendiratta	Key Managerial Personnel		22.48	20.76

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

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Relationship	Nature of Transaction	For the Year ended March 31,2020	For the Year ended March 31, 2019
Mrs. Roma Monisha Sakraney Daga w/o Madhur Daga	Relative of Key Managerial Personnel	Interest Payments	4.00	3.99
Proton Granito Private Limited	Associate Company	Purchase of Goods	7,661.31	8,253.85
		Sale of Goods	13.85	3.78
Corial Ceramic Private Limited	Associate Company	Purchase of Goods	2,483.77	2,214.12
		Sale of Goods	5.61	-
		Re-imbursement of expenses	19.50	-
Godavari Foundation	Enterprise owned or significantly influenced by KMP or their relatives	Donation	30.12	42.25
		Sale of Goods	29.71	-

c) Year end balances of related parties

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Nature of Balance	As At March 31, 2020	As At March 31, 2019
Mahendra K. Daga - HUF	Unsecured Loan Payable	225.00	225.00
Mahendra K. Daga	Unsecured Loan Payable	828.00	828.00
Sarla Daga	Unsecured Loan Payable	405.00	405.00
Roma Monisha Sakraney Daga w/o Madhur Daga	Unsecured Loan Payable	42.00	42.00
Freesia Investment and Trading Co. Limited	Security Deposit Given	10.00	10.00
Proton Granito Private Limited	Trade Payables (Net)	1,007.48	446.19
	Investment outstanding	312.00	312.00
Corial Ceramic Private Limited	Trade Payables (Net)	336.71	475.05
	Investment outstanding	260.00	260.00

d) Other Transaction

The Company has taken Unsecured loan from Bank against the collateral security on the immovable property of Mr. Mahendra K. Daga (Key Managerial Personnel).

e) Terms and conditions of transactions with related parties

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and carried interest rate. The unsecured loan from bank are secured against the property of Key Managerial Personnel. No expenses has been recognized in the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.

f) The remuneration of Key Managerial Personnel does not include amount in respect of Gratuity and Leave Encashment payable as the same are not determinable as individual basis for the KMP. The aforesaid liabilities of Gratuity and Leave Encashment are provided for company as whole.

g) Disclosure in respect of Share Based Payments to related party- Refer Note No-41.

NOTE 41 : SHARE BASED PAYMENTS

Description of shares based payments arrangements

a) Movement during the year

(All amounts in ₹ lakhs, unless otherwise stated)

Scheme	Year	Outstanding at the beginning of the year	Granted during the year	Forfeited/ expired during the year	Exercised during the year	Exercisable at the end of the year	Outstanding at the end of the year
Orient Bell Employees Stock Options Scheme, 2018	2018	1,71,000	24,000	3,000	**35,500**	-	**1,56,500**

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

b) The members of the Company had approved 'Orient Bell Employee Stock Option Scheme 2018'. The plan envisaged grant of share options to eligible employees at market price as defined in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Each Employee Stock Option vested in an Employee under the Scheme entitles the holder thereof to apply for and be allotted one equity share of the Company of ₹10 each upon exercise thereof. The Exercise price is ₹10. The exercise period commences from the date of vesting in respect of options granted under the Scheme and ends upon the expiry of three years from the date of each vesting.

c) The maximum number of shares allocated for allotment under 2018 Share Schemes is 2,00,000 (two lakh) equity shares of ₹ 10 each. The schemes are monitored and supervised by the Compensation Committee of the Board of Directors in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time.

The expense recognised for employee services is shown in the following table:

Particulars	As at March 31, 2020	As at March 31, 2019
Expense arising from equity-settled share-based payment transactions (at fair value)	151.71	113.09
Expense arising from cash-settled share-based payment transactions	-	-
Total expense arising from share-based payment transactions	**151.71**	**113.09**

d) The details of Employee Stock Option Scheme 2018 are as under:-

(All amounts in ₹)

Scheme	Year	Date of Grant	Number of Options Granted	Vesting Date	Exercise period	Exercise price per share	Weighted Average Exercise price per share
Orient Bell Employees Stock Options Scheme, 2018	2018	17-04-2018	12,500	17-04-2019	3 years from date of vesting	10.00	10.00
		17-04-2018	12,500	17-04-2020		10.00	10.00
		17-04-2018	12,500	17-04-2021		10.00	10.00
		17-04-2018	12,500	17-04-2022		10.00	10.00
		29-06-2018	11,000	29-06-2019		10.00	10.00
		29-06-2018	19,000	29-06-2020		10.00	10.00
		29-06-2018	15,000	29-06-2021		10.00	10.00
		09-08-2018	11,000	09-08-2019		10.00	10.00
		09-08-2018	21,000	09-08-2020		10.00	10.00
		09-08-2018	21,000	09-08-2021		10.00	10.00
		13-11-2018	5,000	13-11-2020		10.00	10.00
		28-12-2018	4,000	28-12-2019		10.00	10.00
		28-12-2018	6,000	28-12-2020		10.00	10.00
		28-12-2018	8,000	28-12-2021		10.00	10.00
		09-08-2019	3,000	09-08-2020		10.00	10.00
		09-08-2019	4,000	09-08-2021		10.00	10.00
		09-08-2019	5,000	09-08-2022		10.00	10.00
		08-01-2020	3,000	08-01-2021		10.00	10.00
		08-01-2020	4,000	08-01-2022		10.00	10.00
		08-01-2020	5,000	08-01-2023		10.00	10.00

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

e) The fair value has been calculated using the Black-Scholes option pricing model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows :

Particulars	ESOP Scheme 2018						
	17-04-2018	29-06-2018	09-08-2018	13-11-2018	28-12-2018	09-08-2019	08-01-2020
Weighted Average Risk-Free Interest Rate	7.2%	7.89%	7.77%	7.58%	7.20%	6.09%	6.31%
Weighted Average Expected Life of Options	2.50 Years	2.50 Years	2.50 Years	3.50 Years	2.50 Years	2.50 Years	2.50 Years
Weighted Average Expected Volatility	49.65%	49.65%	49.65%	51.06%	49.65%	49.97%	47.58%
Weighted Average Expected Dividend Yield of the Options	-	-	-	-	-	0.30%	0.30%
Weighted Average Share Price (in "₹")	293.15	249.95	253.15	180.50	181.20	120.65	136.00
Weighted Average Exercise Price (in "₹")	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Method Used to Determine Expected Volatility	Expected voltatility is based on the share price taken from NSE for the latest historical period as per time to maturity.						

NOTE 42 : FAIR VALUES DISCLOSURE

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments. Here the disclosure is made for non-current financial assets and non-current financial liabilities, carrying value of current financial assets and current financial liabilities including trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables, current borrowing, other current financial liabilities etc. which represent the best estimate of fair value.

The management assessed that fair value of these short term financial assets and liabilities significantly approximate their carrying amount largely due to short term maturities of these instruments.

a) Fair Value of Financial Assets: (All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Carrying Values		Fair Values	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial Assets Measured at Amortised Cost				
Investments	697.90	572.00	697.90	572.00
Trade Receivables	8,692.58	11,621.49	8,692.58	11,621.49
Security deposits	327.34	320.08	327.34	320.08
Deposits with original maturity of more than 12 months	-	3.65	-	3.65
Cash and Cash Equivalents	11.46	10.65	11.46	10.65
Bank balance other than Cash and cash equivalent	287.16	344.27	287.16	344.27
Interest Accrued on Securities Deposits	13.86	19.06	13.86	19.06
Interest Accrued on Fixed Deposits	2.23	3.10	2.23	3.10
	10,032.53	12,894.31	10,032.53	12,894.31

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

b) Fair Value of Financial Liabilities:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Carrying Values		Fair Values	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial Liabilities Measured at Amortised Cost				
Borrowings	5,115.80	10,097.91	5,115.80	10,097.91
Lease Liabilities	1,002.40	-	1,002.40	-
Trade Payables	7,728.31	7,088.02	7,728.31	7,088.02
Trade Deposits	1,018.46	1,006.37	1,018.46	1,006.37
Earnest Money Received from Employees	34.90	29.95	34.90	29.95
Security From Employees	1.88	1.88	1.88	1.88
Interest Accrued but not due on Borrowings	36.83	14.50	36.83	14.50
Unpaid Dividends	10.16	11.99	10.16	11.99
	14,948.74	**18,250.63**	**14,948.74**	**18,250.63**

c) **Discount Rate Used in Determining Fair Value**

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

a) Fair value for security deposits (other than perpetual security deposits) has been presented based on the discounting factor as at the reporting date. Fair value for all other non-current assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.

b) For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

NOTE 43 : FAIR VALUE HIERARCHY

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurement as a whole.

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

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

a) **Quantitative Disclosures Fair Value Measurement Hierarchy For Financial Assets as at March 31, 2020:**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	Amorised Cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured at Amortised Cost					
Investments	697.90	697.90	-	-	-
Trade Receivables	8,692.58	8,692.58	-	-	-
Security deposits	327.34	327.34	-	-	-
Cash and Cash Equivalents	11.46	11.46	-	-	-
Bank balance other than Cash and cash equivalent	287.16	287.16	-	-	-
Interest accrued on Security Deposits	13.86	13.86	-	-	-
Interest accrued on Fixed Deposits	2.23	2.23	-	-	-
	10,032.53	10,032.53	-	-	-

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

b) Quantitative Disclosures Fair Value Measurement Hierarchy For Financial Liabilities as at March 31, 2020:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	Amorised Cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities Measured at Amortised Cost					
Borrowings	5,115.80	5,115.80	-	-	-
Lease Liabilities	1,002.40	1,002.40	-	-	-
Trade Payable	7,728.31	7,728.31	-	-	-
Trade Deposits	1,018.46	1,018.46	-	-	-
Earnest Money Received from Employees	34.90	34.90	-	-	-
Security From Employees	1.88	1.88	-	-	-
Interest Accrued but not due on Borrowings	36.83	36.83	-	-	-
Unpaid Dividends	10.16	10.16	-	-	-
	14,948.74	**14,948.74**	-	-	-

c) Quantitative Disclosures Fair Value Measurement Hierarchy For Financial Assets as at March 31, 2019:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	Amorised Cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured at Amortised Cost					
Investments	572.00	572.00	-	-	-
Trade Receivables	11,621.49	11,621.49	-	-	-
Security deposits	320.08	320.08	-	-	-
Deposits with original maturity of more than 12 months	3.65	3.65	-	-	-
Cash and Cash Equivalents	10.65	10.65	-	-	-
Bank balance other than Cash and cash equivalent	344.27	344.27	-	-	-
Interest accrued on Security Deposits	19.06	19.06	-	-	-
Interest accrued on Fixed Deposits	3.10	3.10	-	-	-
	12,894.31	**12,894.31**	-	-	-

d) Quantitative Disclosures Fair Value Measurement Hierarchy For Financial Liabilities as at March 31, 2019:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	Amorised Cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities Measured at Amortised Cost					
Borrowings	10,097.91	10,097.91	-	-	-
Trade Payable	7,088.02	7,088.02	-	-	-
Trade Deposits	1,006.37	1,006.37	-	-	-
Earnest Money Received from Employees	29.95	29.95	-	-	-
Security From Employees	1.88	1.88	-	-	-
Interest Accrued but not due on Borrowings	14.50	14.50	-	-	-
Unpaid Dividends	11.99	11.99	-	-	-
	18,250.63	**18,250.63**	-	-	-

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

(i) **Valuation technique used to determine fair value:**
Security Deposit : Discounted Cash Flow Method using risk adjusted discount rate.

(ii) There have been no transfers between level 1 and level 2 category during the year ended on respective reporting date given above.

NOTE 44 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise trade and other payables, borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon. The Company is exposed to market risk, credit risk and liquidity risk . The Company's senior level oversees the management of these risks.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to interest rate risk.

Particulars	Increase or decrease in basis points	Effect on profit before tax
31st March, 2020		
INR	+50	(30.53)
INR	-50	30.53
31st March, 2019		
INR	+50	(36.96)
INR	-50	36.96

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk sensitivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant.

Particulars	Year	Changes in Euro rate	Effect on profit before tax
Trade Payables	31 March, 2020	+5%	(1.90)
		-5%	1.90
Trade Payables	31 March, 2019	+5%	(0.30)
		-5%	0.30

Particulars	Year	Changes in Currency rate	Effect on profit before tax
Foreign Currency on Hand	31 March, 2020	+5%	0.17
		-5%	(0.17)
Foreign Currency on Hand	31 March, 2019	+5%	0.12
		-5%	(0.12)

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

B. **Credit Risk**

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Company. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.

The Company also uses expected credit loss model to assess the impairement loss in Trade Receivables and makes an allowance of doubtful trade receivables using this model.

C. **Liquidity Risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. It maintains adequate sources of financing including loans from banks at an optimised cost.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	602.42	280.73	903.24	1,841.18	1,500.00	5,127.57
Lease Liabilities	-	64.43	152.75	636.88	148.34	1,002.40
Trade payables	-	7,728.31	-	-	-	7,728.31
Other financial liabilities	-	36.83	12.58	34.36	1,018.46	1,102.22
Total	**602.42**	**8,110.30**	**1,068.56**	**2,512.42**	**2,666.80**	**14,960.50**

As at March 31, 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	4,301.76	212.39	1,079.06	3,025.14	1,500.00	10,118.35
Trade payables	-	7,088.02	-	-	-	7,088.02
Other financial liabilities	-	14.50	12.53	31.29	1,006.37	1,064.69
Total	**4,301.76**	**7,314.91**	**1,091.59**	**3,056.43**	**2,506.37**	**18,271.06**

*** In absolute terms i.e. undiscounted and including current maturity portion**

NOTE 45 : SUBSEQUENT EVENT :

(a) **Dividend paid and Proposed**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. **Declare and Paid During the Year:** Final Dividend for FY 2018-19: ₹ 0.5 per share (FY 2017-18: ₹ 0.5 per share) Including Dividend distribution tax of ₹ 14.66 lakh FY 2018-19 (₹ 14.64 lakh for FY 2017-18)	85.96	85.89
	85.96	**85.89**
B. **Proposed for Approval at the Annual General Meeting (not recognised as a liability)** Final Dividend for FY 2019-20: ₹ NIL per share (FY 2018-19: ₹ 0.5 per share)	-	71.24
Dividend Distribution Tax	-	14.65
	-	**85.89**

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

b) Based on initial assessment, the Management does not expect any significant medium to long-term impact on the business of the Company due to the COVID-19 pandemic. The Company has evaluated the possible effects on the carrying amounts of property, plant and equipment, intangible assets, right of use assets, investments, inventory and receivables basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to the above, and the Company's liquidity position, there is no material uncertainty in meeting the financial obligations over the foreseeable future. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these consolidated financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

No material events except above have occurred between the balance sheet date to the date of issue of these consolidated financial statements that could affect the values stated in the consolidated financial statements.

NOTE 46A : INVESTMENT IN ASSOCIATES

a) The Company has investment in the following private limited companies that are not listed on any public stock exchange. The Company's interest in these associates companies is accounted for using the equity method in the consolidated financial statements.

(All amounts in ₹ lakhs, unless otherwise stated)

Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of Equity Interest	
	As at March 31, 2020	As at March 31, 2019
Proton Granito Private Limited, India, Manufacturing of Vitrified Tiles	19.50%	19.50%
Corial Ceramic Private Limited, India, Manufacturing of Ceramic Tiles	26.00%	26.00%

b) The following table summarises financial information of the associate companies and proportion of the Company's ownership interest:

i) Proton Granito Private Limited

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Assets	3,477.54	3,074.60
Non-current Assets	4,079.57	4,622.54
Current Liabilities	2,988.26	3,324.00
Non-current Liabilities	2,425.32	2,320.72
Equity	**2,143.53**	**2,052.43**
Proportion of the Company's ownership interest	19.50%	19.50%
Carrying amount of the Company's interest	417.99	400.22
Revenue	8,677.93	8,590.35
Profit/(Loss) After Tax For The Year	91.10	30.86
Other Comprehensive Income For The Year	-	-
Total Comprehensive Income For The Year	91.10	30.86
The associate has the following contingent liabilities and capital commitments:		
Contingent liabilities	405.14	318.00
Capital Commitments	-	-

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

ii) Corial Ceramic Private Limited

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Assets	2,106.16	1,645.54
Non-current Assets	2,112.94	2,215.42
Current Liabilities	2,030.87	1,572.48
Non-current Liabilities	1,111.64	1,255.90
Equity	**1,076.58**	**1,032.58**
Proportion of the Company's ownership interest	26.00%	26.00%
Carrying amount of the Company's interest	279.91	268.47
Revenue	5,277.22	3,160.82
Profit/(Loss) After Tax For The Year	43.99	32.58
Other Comprehensive Income For The Year	-	-
Total Comprehensive Income For The Year	43.99	32.58
The associate has the following contingent liabilities and capital commitments:		
Contingent liabilities	358.56	358.56
Capital Commitments	-	-

c) As disclosed in the accounting policies adopted by the Company for the purpose of consolidaton of financial statements, the Company and its associates have used uniform accounting policies for like transactions and other events in similar circumstances

NOTE 46B : DISCLOSURE OF THE ADDITIONAL INFORMATION AS REQUIRED BY THE SCHEDULE III:

a) As at and for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Net Assets (i.e.Total Assets minus Total Liability)		Share in Profit & Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Asset	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Parent Company								
Orient Bell Limited	99.47%	23,835.88	95.90%	682.70	100.00%	65.32	96.24%	748.02
Indian Associates (Investment as per Equity Method)								
Proton Granito Private Limited	0.44%	105.99	2.50%	17.77	0.00%	-	2.29%	17.77
Corial Ceramic Private Limited	0.08%	19.91	1.61%	11.44	0.00%	-	1.47%	11.44
Total		23,961.78		711.91		65.32		777.23

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

a) As at and for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Net Assets (i.e.Total Assets minus Total Liability)		Share in Profit & Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Asset	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Parent Company								
Orient Bell Limited	99.58%	23,160.17	95.83%	889.59	100.00%	63.79	96.10%	953.38
Indian Associates (Investment as per Equity Method)								
Proton Granito Private Limited	0.38%	88.22	3.26%	30.22	0.00%	-	3.05%	30.22
Corial Ceramic Private Limited	0.04%	8.47	0.91%	8.47	0.00%	-	0.85%	8.47
Total		**23,256.86**		**928.28**		**63.79**		**992.07**

NOTE 47 :

In view of the Management, the current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at March 31, 2020.

Note 48 :

The consolidated financial statements of the Company for the year ended 31st March, 2020 were approved by the Board of Directors and authorised for issue on June 17, 2020.

for & on behalf of Board of Directors of Orient Bell Limited

Madhur Daga
Managing Director
DIN 00062149

P.M. Mathai
Director
DIN 05249199

Place of Signature : New Delhi
Date : June 17, 2020

Aditya Gupta
Chief Executive Officer

Himanshu Jindal
Chief Financial Officer

Yogesh Mendiratta
Company Secretary
ICSI Membership No. 13615

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 43rd Annual General Meeting of the members of Orient Bell Limited will be held on Thursday, the 13th day of August, 2020 at 11:00 a.m. through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purpose the Registered Office of the Company at 8, Industrial Area, Sikandrabad–203 205, Distt. Bulandshahr (U.P.) shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be made thereat, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2020, the Profit & Loss Account and Cash Flow Statement for the financial year ended on that date and the reports of Directors' and Statutory Auditors' thereon.
2. To appoint a director in place of Mr. Mahendra K. Daga (DIN: 00062503), who retires by rotation and being eligible has offered himself for re-appointment.

SPECIAL BUSINESS:

3. **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 Section 152, 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (hereafter called the 'Act'), if any and rules made there under and any amendments thereto or statutory modifications or re-enactment thereof, Articles of Association of the Company, recommendation of Nomination & Remuneration Committee and Board of Directors and subject to the approvals of the Central Govt., if necessary and such other approvals, permissions and sanctions as may be required in this regard, consent of the Company is hereby accorded for the re-appointment of Mr. Mahendra K. Daga (DIN: 00062503) as the Chairman and Whole Time Director of the Company for a further period of three consecutive years commencing from 1st April, 2021 till 31st March 2024, liable to retire by rotation, on the remuneration and terms and conditions as set out below:-

   A. Salary: Up to Rs. 8,05,000/- per month;

   B. Rent free furnished / unfurnished residential accommodation or HRA of maximum of 50% of salary or such other suitable amount as may be decided by the Board of Directors.

   C. Commission: On net profits of the Company computed in accordance with relevant provisions of the Act, to be determined by the Nomination & Remuneration Committee / Board of Directors from time to time;

   D. In addition to the above, Mr. Mahendra K. Daga shall be entitled, as per rules of the Company, to the following perquisites not exceeding Rs. 2 Lakhs per month or Rs. 24 Lakhs p.a. with an authority to the Board of Directors to grant, alter or vary from time to time, the amount and type of perquisites payable to him:

      i. The expenditure pertaining to gas, electricity, water and other utilities will be borne / reimbursed by the Company;

      ii. Such furniture and furnishings as may be required by Mr. Mahendra K. Daga;

      iii. Full reimbursement of all medical expenses incurred for self and family, including hospitalization, membership of any hospital and / or doctors' scheme and medical insurance. Facility of medical checkup / treatment abroad, if and when needed, the total cost of which include travel to and fro and for the stay in the foreign country, with an attendant, shall be borne by the Company;

      iv. Leave Travel Concession for self and family once in a year;

      v. Reimbursement of membership fee/ Subscription to clubs, subject to a maximum of two clubs, in India and/or abroad including admission and life membership fee;

      vi. Personal accident insurance premium;

      vii. Company maintained car with driver, telephones, computers, printers, internet and all other communication instruments/ devices/ services at residence. Use of telephones, computers, printers, internet and all other communication instruments/ devices/ services and car with driver for official purposes shall not be considered as perquisite. The valuation of personal use of car would be as per prevalent Income-tax Rules and personal use of telephone for long distance calls will be charged on actual basis;

      viii. Mr. Mahendra K. Daga shall be entitled to such other benefits or amounts as may be approved by the Board and permissible under Schedule V to the Companies Act, 2013 or otherwise;

      The following perquisites shall also be allowed and they will not be included in the computation of the ceiling on perquisites:

      a. Contribution to Provident Fund, Superannuation Fund, Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;

      b. Payment of gratuity payable at a rate not exceeding half a month's salary for each completed year of service;

      c. Encashment of leave as per policy of the Company.

      The above perquisites shall be valued as per Income Tax Rules, 1962.

   E. Other Terms and Conditions:

   Minimum Remuneration:

   Notwithstanding anything contained herein, in case of no profits or inadequate profits in any financial year in terms of section 197 and 198 of the Act, the payment of remuneration shall be made to Mr. Mahendra K. Daga in terms of and within the limits as prescribed under Section II of Part II of Schedule V to the Act or any other statutory modifications therein, substitutions or re-enactment thereof, as applicable (hereinafter called Schedule V). The payment of remuneration in excess of the limits prescribed under Schedule V i.e. minimum remuneration may be granted to Mr. Mahendra K. Daga after obtaining necessary statutory approval(s) including approval of the Central Government as referred to in the Act.

Others:

a) The Company shall reimburse traveling, entertainment and other business promotion expenses actually incurred for the business of the Company.

b) For the purpose of Gratuity and other benefits, the services of Mr. Mahendra K. Daga will be considered continuous service with the Company from the date he joined the services of this Company in any capacity including renewal of his agreement with the Company as Chairman & Whole Time Director or in any other capacity as may be decided by the Board of Directors from time to time.

c) Mr. Mahendra K. Daga shall not be paid sitting fee for attending meetings of the Board or Committee(s).

d) Subject to the provisions of the Companies Act, 2013, Mr. Mahendra K. Daga shall while he continues to hold office as Chairman & WholeTime Director, be subject to retirement by rotation. However, the Chairman & Whole Time Director re-appointed as a Director of the Company immediately on retirement by rotation, shall continue to hold his office of Chairman & Whole Time Director and such re-appointment as such director shall not be deemed to constitute a break in his appointment / service as Chairman and Whole Time Director of the Company.

RESOLVED FURTHER THAT the Board of Directors/ Nomination & Remuneration Committee be and is hereby authorised to approve annually or otherwise increment of the above remuneration (within the overall maximum limits whether or not it result into any change in any of the heads as aforesaid) subject to their conformity with the Act and if required with any statutory approvals including the approval of Central Government to grant remuneration in excess of the limits prescribed under the Act.

RESOLVED FURTHER THAT the Board of Directors/ Nomination & Remuneration Committee be and is hereby further authorised to alter and vary the terms and conditions of the appointment of Mr. Mahendra K. Daga and/ or change his designation in such manner and to such extent as may be agreed to between the Board of Directors/ Nomination & Remuneration Committee and Mr. Mahendra K. Daga in terms of the provisions of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do and perform all such acts, deeds and things as may be considered necessary to give effect to the above resolution."

4. **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 section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("Act") and Companies (Appointment and Qualification of Directors) Rules, 2014 ("Rules") (including any statutory modification(s) or re-enactment thereof for the time being in force), recommendation of Nomination & Remuneration Committee and Board of Directors, Ms. Tanuja Joshi (DIN: 02065607), Independent Director of the Company, whose first term of appointment has expired on 02.11.2019, and who has submitted necessary declarations and consent under relevant provisions of the Act and Rules with regard to her re-appointment and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for the further period of 5 (five) years with effect from 03.11.2019 to 02.11.2024.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do and perform all such acts, deed and things as may be considered necessary to give effect to the above resolution."

5. **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 188 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended till date, the Company's policy on Related Party Transactions and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, approval of Shareholders be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee of the Board) to enter into contract(s)/ arrangement(s)/ transaction(s)/ agreement(s) (including any modifications, alterations or amendments thereto) in ordinary course of business and on arm's length basis with M/s Proton Granito Pvt. Ltd. and M/s Corial Ceramic Pvt. Ltd., related parties within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations as enumerated in the explanatory statement annexed to this notice on such terms and conditions as defined in the related party contracts.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transactions with the said related parties, make such changes to the terms and conditions as may be considered necessary or desirable in order to give effect to this resolution in the best interest of the Company."

By order of the Board
For Orient Bell Limited

Place : New Delhi — Yogesh Mendiratta
Dated : 17th June, 2020 — Company Secretary & Head- Legal

Registered Office : 8, Industrial Area,
Sikandrabad-203 205 Distt. Bulandshahr, U.P.

NOTES:

1. In view of massive outbreak of COVID-19 pandemic, social distancing norms and restrictions on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020, respectively (collectively referred to as **'MCA Circulars'**) issued by the Ministry of Corporate Affairs (**'MCA'**) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (**'SEBI Circular'**) permitted the holding of the Annual General Meeting (**'AGM'**) through VC / OAVM, without the physical presence of the Members. In compliance with the provisions of the Companies Act, 2013 (**'the Act'**), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'Listing Regulations'**), MCA Circulars and SEBI Circular, the AGM of the Company is being held through VC / OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

2. An Explanatory Statement, pursuant to Section 102(1) of the Act, relating to special business set out under Item Nos. 3 to 5, of the accompanying Notice are annexed hereto. A statement providing additional details of the Directors along with their brief profile who are seeking appointment/re-appointment as set out at Item Nos. 3 and 4 of the Notice are annexed herewith as per Regulation 36 of the Listing Regulations, as amended and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India (**'ICSI'**).

3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

4. The register of members and share transfer books will remain closed from 07th August, 2020 to 13th August, 2020 (both days inclusive) for the purpose of ascertaining the Shareholders attending the AGM.

5. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut off date of 06th August, 2020.

6. The Company's Statutory Auditors, M/s B.R. Gupta & Co., were appointed as Statutory Auditors of the Company for a period of five (5) consecutive years at the AGM of the Members held on 22nd September, 2017. Pursuant to the amendment made by the Companies (Amendment) Act, 2017, effective from May 7, 2018, it is no longer necessary to seek the ratification of the shareholders for continuance of the above appointment. Hence, the Company is not seeking the ratification of the shareholders for the appointment of the Statutory Auditors.

7. Pursuant to section 124(5) of the Companies Act, 2013, the Company has transferred the unclaimed / unpaid dividend for the Financial Years up to 2011-12, to the Investor Education and Protection Fund of the Central Government ("the Fund") as per the relevant provisions of the Companies Act, 2013. The unpaid dividend for the Financial Year 2012-13 will be transferred to the Fund on or before 03-11-2020.

8. Pursuant to section 124(6) of the Companies Act, 2013 and Rules made thereunder, all such shares in respect of which dividend has not been paid or claimed for seven consecutive years, are liable to be transferred to the Investor Education and Protection Fund. Members who have not yet encashed the dividend warrants for any of the Financial Years from 2012-13 to 2018-19 are therefore once again requested to make their claims immediately with the Company or the Company's Registrar & Share Transfer Agents for issuance of duplicate / revalidated dividend warrants. The list of unclaimed dividend for the Financial Years 2012-13 to 2018-19 and the list of members whose shares are liable to be transferred to the said Fund are available on the Company's website www.orientbell.com.

   The shareholders whose dividend/shares is/will be transferred to the IEPF Authority may claim the shares or apply for refund by making an application to the IEPF Authority by following the procedure as detailed in the IEPF Rules and as enumerated on the website of IEPF Authority http://www.iepf.gov.in/IEPF/refund.html.

9. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

10. As per the provision of Section 72 of the Act, facility for making nomination(s) is available to Individuals holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form from the Company's website at www.orientbell.com. Members holding shares in demat mode should file their nomination with their Depository Participants (**'DPs'**) for availing this facility.

11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

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

13. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can only be transferred in demat form with effect from April 1, 2019, except in case of request for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management,

Members holding shares in physical form are requested to consider converting their holding to demat form. Members can contact the Company or RTA for assistance in this regard.

14. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to Company's RTA - M/s MCS Share Transfer Agent Limited having address at F-65, Okhla Industrial Area, Phase-I, New Delhi – 110 020 , in case the shares are held in physical form.

15. The Company or RTA cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DPs of the Members. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic mode.

16. PROCEDURE FOR INSPECTION OF DOCUMENTS:

    a) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.

    b) All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to investor@orientbell.com.

    c) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Wednesday, 05th August, 2020 through email on investor@orientbell.com. The same will be replied by the Company suitably.

17. In compliance with the aforesaid MCA Circulars and SEBI Circular, the Notice calling AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice of the AGM and the Annual Report 2019-20 will also be available on the Company's website at www.orientbell.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL at https://www.evoting.nsdl.com.

18. Attendance of the Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

19. Members are requested to send all communications relating to shares and unclaimed dividends, change of address, bank details, email address etc. to the RTA at the following address:

    M/s MCS Share Transfer Agent Limited
    F-65, Okhla Industrial Area, Phase-I,
    New Delhi – 110 020.

    If the shares are held in electronic form, then change of address and change in the Bank Accounts etc., should be furnished to their respective DPs.

20. Members may please note that SEBI has made PAN as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. Members may please note that SEBI has also made it mandatory for submission of PAN in the following cases, viz. (i) Deletion of name of the deceased shareholder(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares. Members are requested to Register their PAN with their DPs, in case of shares held in demat form and RTA/ Company, in case of shares held in physical form, as directed by SEBI.

21. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

22. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

23. **Instructions for E-voting and joining the AGM are as follows**:

    The remote e-voting period begins on Monday, 10th August, 2020, at 09:00 A.M. and ends on Wednesday, 12th August, 2020 at 05.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

    <u>How do I vote electronically using NSDL e-Voting system?</u>

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

    Step 1: Log-in to NSDL E-voting system at https://www.evoting.nsdl.com

    Step 2: Cast your vote electronically on NSDL E-voting system

    Details on Step 1 are mentioned below:

    How to Log-in to NSDL E-voting website?

1. Visit the E-voting website of NSDL. Open web browser by typing the URL: https://www.evoting.nsdl.com either on a personal computer or on a mobile.
2. Once the home page of E-voting system is launched, click on the icon "Login" which is available under "Shareholders" section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on E-voting and you can proceed to Step 2, i.e. cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
For Members who are holding shares in physical form.	EVEN Number followed by Folio Number registered with the company For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001***

5. Your password details are given below:
   a) If you are already registered for E-voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL E-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox from evoting@nsdl.co.in. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      ii) In case you have not registered your email address with the Company/Depository, please follow instructions mentioned below in this notice.
6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
   a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
   d) Members can also use the one-time password (OTP) based login for casting the votes on the E-voting system of NSDL.
7. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, home page of E-voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL E-voting system?

1. After successful login at Step 1, you will be able to see the Home page of E-voting. Click on E-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company, which is 113125.
4. Now you are ready for E-voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional/ Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who

are authorized to vote, to the Scrutinizer by email to ashugupta.cs@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the E-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on https://www.evoting.nsdl.com to reset the password.

3. In case of any queries relating to E-voting you may refer to the FAQs for Shareholders and E-voting user manual for Shareholders available at the download section of https://www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@orientbell.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@orientbell.com.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any queries connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under members login by using the remote e-voting credentials. The link for VC/OAVM will be available in members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Members who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/ folio number, email id, mobile number at investor@orientbell.com on or before 48 hours in advance before the start of the meeting i.e. by 1100 hrs. of 11th August, 2020. The same will be replied by the company suitably.

6. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com by using their remote E-voting login credentials and selecting the EVEN for Company's AGM.

7. Facility of joining the AGM through VC / OAVM shall open 30 (thirty) minutes before the time scheduled for the AGM and will be available for Members on first come first served basis and the Company may close the window for joining the VC/OAVM Facility 15 (fifteen) minutes after the scheduled time to start the 43rd AGM.

8. Members may note that the VC / OAVM Facility, provided by NSDL, allows participation of atleast 1,000 Members on a on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship & Grievance Committee, Auditors, etc. can attend the 43rd AGM without any restriction on account of first-come-first-served principle.

9. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-222-990 or contact Ms. Pallavi Mhatre, Manager-NSDL at pallavid@nsdl.co.in / 022-24994545 or Ms. Soni Singh, Asst. Manager - NSDL at sonis@nsdl.co.in / 022-24994559.

10. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investor@orientbell.com from 07th August, 2020 (09:00 am IST) to 09th August, 2020 (05:00 pm IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

11. Shareholders who will participate in the AGM through VC/OAVM can also pose question / feedback through question box option. Such questions by the shareholders shall be taken up during the meeting or replied by the Company suitably.

24. Other Instructions

1. The "cut-off date" for determining the eligibility for voting through electronic voting system is fixed as 06th August, 2020. The e-voting period commences on 10th August, 2020 at 9:00 a.m. and ends on 12th August, 2020 at 5:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period members of the Company, holding shares either in physical form or in demat form, as on the cut-off date, i.e., 06th August, 2020, shall be entitled to avail the facility of remote e-voting.

2. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date i.e. 06th August, 2020.

3. Members who have already exercised their voting through Remote e-voting can attend the Annual General Meeting through VC/OAVM but shall not be entitled to cast their vote again.

4. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 06th August, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or admin@mcsregistrars.com. However, if he/she is already registered with NSDL for remote E-voting then he/she can use his/her existing User ID and password for casting the vote.

5. Ms. Ashu Gupta, Company Secretary in whole time practice (Membership No. FCS 4123; COP No. 6646), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

6. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

7. As per Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the results of the e-voting are to be submitted to the Stock Exchange(s) within 48 hours of the conclusion of the AGM. The results declared along with Scrutinizer's Report shall be placed on the Company's website www.orientbell.com and the website of NSDL.

8. The results on resolutions so declared at or after the Annual General Meeting of the Company will be deemed to have been passed on the Annual General Meeting date subject to receipt of the requisite number of votes cast in favour of the Resolutions.

25. The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by allowing companies to send documents to their shareholders in electronic mode. To support this green initiative and to receive communications from the Company in electronic mode, members who have not registered their E-mail addresses and are holding shares in physical form are requested to contact the RTA of the Company and register their Email-id. Members holding shares in demat form are requested to contact their DPs. Members may please note that notices, annual reports, etc. will be available on the Company's website at www.orientbell.com. Members will be entitled to receive the said documents in physical form free of cost at any time upon request.

By order of the Board
For Orient Bell Limited

Place : New Delhi
Dated : 17th June, 2020

Yogesh Mendiratta
Company Secretary & Head- Legal

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

Item No. 3

Mr. Mahendra K. Daga was appointed as Chairman and Managing Director for a period from 01st April, 2018 to 31st March, 2021 vide Special Resolution passed at the 40th AGM held on 22nd September, 2017. The members had at 41st AGM approved the change in his category / designation to Chairman & Whole Time Director.

The Nomination & Remuneration Committee and the Board of Directors have in their respective meetings held on 17th June 2020, subject to the approvals of Members, Central Government and such other approvals as may be necessary, approved the re-appointment of Mr. Mahendra K. Daga as Chairman and Whole Time Director of the Company for a further period from 01st April 2021 to 31st March 2024 and also the remuneration as enumerated in the Special Resolution which is commensurate with his qualification, experience and the responsibilities entrusted on him.

Section 196 of the Companies Act, 2013, inter-alia, provides that no company shall appoint or continue the employment of any person as managing director, who has attained the age of seventy years, unless his appointment is approved by a special resolution. Mr Mahendra K. Daga, aged about 81 years, is a successful businessman and a sound technocrat. Mr. Mahendra K. Daga's name is synonymous with the tiles industry. He has vast experience in erecting, commissioning and successfully managing various multi location tiles plants, and is acclaimed as an authority in this field. He has successfully commissioned various Ceramic Tile Plants / Ceramic Refractories / Ceramic Transfers at various locations.

Mr. Daga is a guiding force for Orient Bell Limited and has helped the Company in achieving its rationalized targets. His decades of experience in Ceramics has always proved rewarding for the Company. Mr. Mahendra K. Daga's appointment as Chairman & Whole Time Director for a further period of 3 years is hence justified.

Subject to the provisions contained under sections 152, 196,197,198 and 203 read with Schedule V of the Companies Act, 2013, member's approval by way of Special Resolution is required for the appointment and payment of remuneration for an amount as stated in the Special Resolution at item no. 3 of the accompanying notice.

None of the Directors except Mr. Mahendra K. Daga and Mr. Madhur Daga (who is son of Mr. Mahendra K. Daga) are concerned or interested in the resolution.

In terms of Section 190 of the Companies Act, 2013, the Special Resolution at Item no. 3 along with its explanatory statement shall be construed as a memorandum setting out the terms of appointment of Mr. Mahendra K. Daga.

The following disclosures are being made in this Explanatory Statement in compliance with Section II in part II of Schedule V to the Companies Act, 2013:

I. General Information:

1. The Company is engaged in the business of manufacture and trading of Ceramic Tiles. The manufacturing facilities of the Company are situated at Sikandrabad (Uttar Pradesh), Dora (Gujarat) and Hoskote (Karnataka). The Company has nationwide distribution network through its Channel Partners.
2. The Company commenced commercial production w.e.f. 7th October 1977.
3. The Company is an existing entity and has already commenced Commercial Production.
4. Financial performance of the Company for the Financial year 2019-20 is as follows:

(₹ in Lakhs)

Particulars	2019-20
Net Sales / Revenue from Operations (adjusted for taxes)	49,056
Profit Before Tax	263
Profit After Tax	683
Paid up Equity Capital	1428.41
Reserves & Surplus	22,408
Basic / Diluted Earning Per Share (Rs.)	4.78/4.73

5. The Company has no foreign investment or collaborations.

II. **Information about the appointee**:

1. Mr. Mahendra K. Daga, B.A. aged about 81 yrs. has over 52 years of successful experience. His name is synonymous with the tiles industry. Under the overall supervision of the Board of Directors, he has been instrumental in taking the Company from strength to strength.
2. The total remuneration of Mr. Mahendra K. Daga for the Financial Year 2019-20 was ₹ 1,68,86,629/-.
3. Mr. Daga is the Founder member of the Indian Council of Ceramic Tiles & Sanitary ware (ICCTAS), the apex body in India representing the Ceramic Industry. His expertise in the field had won him the prestigious Fellowship by the British Ceramic Institute. He has also represented India as one of the eight speakers from all over the world at the "International Meeting on Ceramic Industry" organized by Assciazione Costrullori Italiani Machine Attrezzature per Ceramica, at Modena, Italy in the year 2000. Mr. Mahendra K. Daga, an environmentalist, makes all possible efforts to conserve the precious nature. He was awarded by the Chief Minister of Delhi for maintaining the best rainwater harvesting system in Delhi in the year 2009.
4. The detail of proposed remuneration is as per special resolution at item no. 3.
5. The remuneration proposed to be paid to Mr. Daga is commensurate with the size of the Company, nature

of its operations, profile of the position and is in line with the industry standards.

6. Besides his remuneration, Mr. Daga had pecuniary relationship with the Company as mentioned in note no. 40 - Related Party Disclosures. He has no relationship with any managerial personnel, Director, Key Managerial Personnel of the Company, except with Mr. Madhur Daga, Managing Director, who is his son.

III. Other Information:

1. The reasons for inadequate profits are inevitable. The Company has maintained the topline and EBITDA despite challenging conditions viz., lower capacity utilization, liquidity, de growth of real estate and construction sector, increasing fuel cost and increased marketing investments - led by concerted efforts on administrative costs. At present, the performance of the Company is satisfactory as compared to the industry norms. However, in the event of any unforeseen circumstances and conditions beyond its control, the profitability of the Company may be affected.

2. The Company continuously makes efforts for costs optimization in manufacturing, procurement, logistics & administrative segments. With its continuous efforts the Company saves on breakages, reduced inventories and improved its premium quality production. The Company also invests in and launch several new categories, sizes and designs from time to time to augment sales. Each one of these launches have been accepted favorably by the market and results in reaping benefits from these initiatives. The Company continues to open Company Owned Company Operated Boutiques as well as Franchise Boutiques at very conspicuous locations across the Country. The Company has increased engagements with architects, channel partners and tile experts manifold. Investments in marketing & brand building activities is always a key area for the Company. A combination of Digital marketing, along with Print, TV, Radio & hoardings are leveraged to initiate brand building. The thrust on Social media campaign has resulted into increased spending time of Customers on digital platforms like YouTube, Facebook, WhatsApp& Instagram.

3. It is difficult to forecast the productivity and profitability in measurable terms. However, the productivity and profitability will continue to be above industry average.

IV. Disclosures:

1. The detail of all elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all Directors is included in the Corporate Governance Report and forming part of the Board of Director's Report.

2. The detail of fixed component. and performance linked incentives along with the performance criteria is included in the Corporate Governance Report and forming part of the Board of Director's Report.

3. The detail of service contracts, notice period, severance fees is included in the Corporate Governance Report and forming part of the Board of Director's Report.

4. The detail of stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable is included in the Corporate Governance Report and forming part of the Board of Director's Report.

None of the Directors, Key Managerial Personnel of the Company and their relatives other than Mr. Mahendra K. Daga and Mr. Madhur Daga (son of Mr. Mahendra K. Daga) is/are in any way, concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding, if any, in the Company.

The Board recommends the passing of the Resolution at Item No. 3 as Special Resolution.

Item No. 4

Section 149 of the Companies Act, 2013 provides that subject to the provisions of Section 152, an independent director shall hold office for an initial term of up to five consecutive years on the Board of a Company but shall be eligible for another term of up to five years on passing of a special resolution by the Company. It further provides that no independent director shall hold office for more than two consecutive terms of up to five years each. The members had in the Annual General Meeting held on 30.09.2015, pursuant to the provisions of Sections 149, 152 read with Schedule IV of the Companies Act, 2013 and Rules made there under, approved the appointment of Ms. Tanuja Joshi as Independent Director of the Company for an initial term of five years from 03.11.2014 to 02.11.2019. Ms. Joshi has submitted the necessary declarations and consents with regard to her re-appointment for another consecutive term of five years from 03.11.2019 to 02.11.2024. In the opinion of the Board, Ms. Tanuja Joshi fulfills the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and that she is independent of the management.

The Nomination and Remuneration Committee and the Board of Directors have, in their respective meetings held on 24th September, 2019 and 25th September, 2019 recommended the re-appointment of Ms. Tanuja Joshi for another consecutive term of five years effective from 03.11.2019 to 02.11.2024 as Independent Director not liable to retire by rotation. A candidature under section 160 of the Companies Act, 2013 has been received from a member of the Company proposing Ms. Tanuja Joshi for the office of Independent Director of the Company.

The Board based on the experience/expertise declared by Ms. Tanuja Joshi, is of the opinion that Ms. Tanuja Joshi has the requisite qualification to act as an Independent Director of the Company. The total remuneration of Ms. Tanuja Joshi for the Financial Year 2019-20 was Rs.2,70,000/- paid by way of sitting fee only. Ms. Tanuja Joshi does not hold directorship in any other Company as per the latest declaration given by her. Ms. Joshi does not hold any shares either by herself or for any other person on a beneficial basis as per declaration given by her.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the re-appointment of Ms. Tanuja Joshi as an Independent Director for the said period is now being placed before the Members for their approval. Ms. Tanuja Joshi has no relationship with any managerial personnel, Director, Key Managerial Personnel of the Company. None of the Directors or Key Managerial Personnel of the Company or their relatives is/are concerned or interested, financially or otherwise, in this resolution except Ms. Tanuja Joshi.

The Board recommends the passing of the Resolution at Item No. 4 as a Special Resolution.

Item No. 5

The Company has already entered into contracts with M/s Proton Granito Private Limited and M/s Corial Ceramic Pvt. Ltd. respectively for subscribing to their share capital and sale/ purchase of ceramic / vitrified tiles. By virtue of the provisions under Companies Act, 2013, IND-AS and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the said Companies are categorized as Associate Companies of Orient Bell Limited.

Pursuant to the provisions of Section 188 of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014, the Related Party Transactions as mentioned in clause (a) to (g) of sub section (1) of the said section require a Company to obtain approval of the Board of Directors and subsequently the Shareholders of the Company by way of ordinary resolution in case the value of the Related Party Transactions exceeds the stipulated thresholds prescribed in Rule 15 of the said Rules or for the transactions other than in ordinary course of business and on arm's length basis.

Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 also stipulates that all material related party transactions shall require approval of the shareholders through ordinary resolution.

Hence, approval of the shareholders is being sought by way of Ordinary Resolution to enter into following Related Party Transactions with the said Associate Companies in one or more tranches. The Transactions under consideration, proposed to be entered into by the Company with Proton Granito Private Limited and Corial Ceramic Private Limited are in the ordinary course of business and are at arm's length basis.

Particulars of the contract(s) / arrangement (s)/ transaction (s) with Proton Granito Private Limited and Corial Ceramic Private Limited are mentioned hereunder:

Name of Related Party	Proton Granito Private Limited	Corial Ceramic Private Limited
Name of the Director or Key Managerial Personnel who is related, if any	None	None
Nature of Relationship	Associate Company by virtue of partial control.	Associate Company by virtue of 26% equity stake held by the Orient Bell Limited.
Estimated Amount (In Rs.)	Rs. 100 Crores per annum	Rs. 70 Crores per annum.
Nature of Transactions	To enter into transactions for Sale/ Purchase of Ceramic / Vitrified tiles or any marketing tie up / agreements associated with the said transactions.	To enter into transactions for Sale/ Purchase of Ceramic / Vitrified tiles or any marketing tie up / agreements associated with the said transactions.

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

The Board of Directors recommends passing of the resolution as set out at item no. 5 of this Notice as an Ordinary Resolution.

By order of the Board
For Orient Bell Limited

Place : New Delhi
Dated : 17th June, 2020

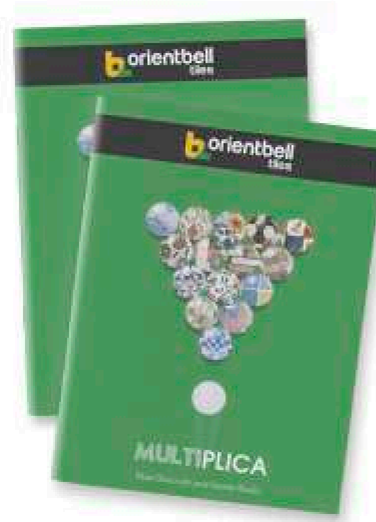
Yogesh Mendiratta
Company Secretary & Head- Legal

INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED TO BE FURNISHED UNDER THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS - 2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)

Name of Director	Mr. Mahendra Kumar Daga	Ms. Tanuja Joshi
DIN	00062503	02065607
Date of Birth	27.10.1938	23.09.1963
Date of Appointment	09.12.1993	03.11.2014
No. of Shares held (as on 31.03.2020)	31,52,761	Nil
Expertise in Specific Functional area	Industrialist with vast business experience	Overall management of a Corporate and Corporate Social Responsibility
Qualification	B.A.	Diploma holder from the Institute of Hotel Management, Catering and Nutrition, PUSA, New Delhi,
No. of board meetings attended during FY 2019-20.	4	4
List of Companies in which outside Directorship held as on 31.03.2020	Nil	Nil
Chairman / Member of the Committee(s) of the Board of Directors of other Companies in which he is a Director	Nil	Nil

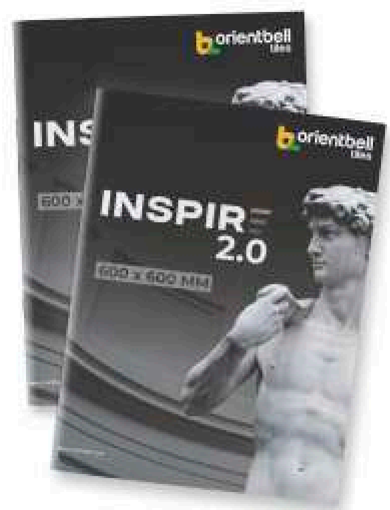
600x600 mm
Full Body Vitrified Tiles
Collection

600x600 mm
Valencica Floor Tiles
Collection



300x600, 300x450 & 250x375 mm
Multiplica Wall Tiles
Collection

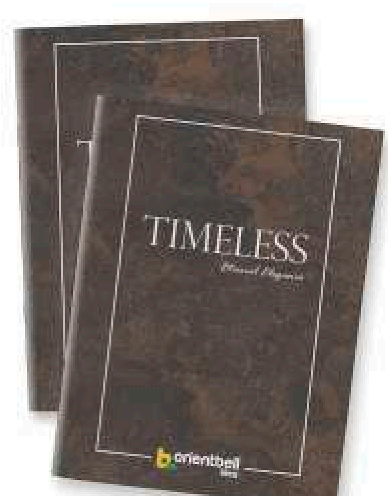
600x1200 mm
INSPIRE Floor Tiles
Collection



600x600 mm
INSPIRE 2.0 Floor Tiles
Collection

300x300 mm
ASCEND Step Tiles
Collection

250x375 mm
Duazzle Wall Tiles
Collection



400x400 mm
Timeless Pavers Tiles
Collection

OBL Awards & Accolades

Realty+ recognizes the best of the best within the ranks of Indian Real Estate

Website of the Year
for www.orientbell.com
(India's construction & design industry)

Integrated Brand Campaign of the Year
for "Chote Bathroom ke Bade Upay"
(India's construction & design industry)

Best Omnichannel Retail Model
Winners Future of Retail Summit & Awards 2020

Customer Retail Journey Innovation
Winners Future of Retail Summit & Awards 2020

CEO with HR Orientation
ZEE BUSINESS
National Human Capital Leadership Congress & Awards

CORPORATE OFFICE:
Iris House, 16 Business Centre,
Nangal Raya, New Delhi – 110046, India
Tel: +91-11-47119100
CIN: L14101UP1977PLC021546

REGISTERED OFFICE:
8 Industrial Area, Sikandrabad – 203 205 (UP), India
Tel: +91-5735-222-203 / 424, +91-8191004575 / 76

CUSTOMER CARE:
customercare@orientbell.com
Missed Call : 87507 11111
Whatsapp : 87507 33333