

Indokem Limited

(CIN NO.: L31300MH1964PLC013088)

Registered Office :
"KHATAU HOUSE", Ground Floor,
Mogul Lane, Mahim (West),
Mumbai - 400 016.

Phone : 61236767
Fax : 61236718
Website : www.indokem.co.in

29th August, 2019

To,
The Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

Dear Sir/Ma'am,

Scrip Code: 504092

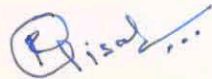
**Subject: Submission of Annual Report for the Financial Year 2018-19,
in terms of Regulation 34 of SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015**

With reference to the above, please find enclosed copy of Annual Report of the Company for the Financial Year 2018-19 for your kind perusal.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully
For INDOKEM LIMITED



Rajesh D. Pisal
Company Secretary and Compliance Officer



Encl: as above



INDOKEM LIMITED



**53rd ANNUAL REPORT
2018-19**



APPEAL TO SHAREHOLDERS

In order to save trees and environment by cutting down the consumption of costly paper habits, the Ministry of Corporate affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the Companies through electronic mode including service of notice / documents including Annual Report can be sent by email to its members. In accordance with the Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 issued by the Ministry. Companies had started the practice of sending various notices and documents, including documents for Annual General Meeting and Annual Report, to its shareholders through electronic mode, whose e-mail addresses are registered with the Company. In such case, the company is required to obtain email addresses of its members for sending the notice / documents through email by giving an opportunity to every member to register their email address and changes therein, if any, from time to time with the Company. To be a part of Green Initiative in the Corporate Governance, Indokem Limited has started to send documents like the notices for convening the General Meeting and Annual Reports in electronic form, to the email addresses of those members which are available in the Register of Members of the Company. **To support this green initiative of the Government in full measure, members who have not registered their email addresses, so far, are requested to register their email addresses, in respect of electronic holdings with the Depository through their concern Depository Participants. Members who hold shares in physical form are requested to register their email addresses to the Company or its Registrar and Share Transfer Agents (RTA).**

You are kindly requested to send an email to support@sharexindia.com or / and iklsecretarial@gmail.com in order to register your email ID with Name of first holder, Folio No. / DP ID and Client ID. Members are further requested to provide copy of their PAN Card, Aadhar Card, bank details, contact number and address with proof, if there is any change.

On registration, all the communication will be sent to the email ID registered in the Folio No. /DP ID and Client ID to save time and to save trees.

We are sure you would appreciate the "Green Initiative" taken by MCA and as a responsible citizen you will whole heartedly support this initiative.

This move by the Ministry will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. It will also ensure prompt receipt of communication and avoid loss in postal transit. We are sure that you would appreciate the "Green Initiative" taken by MCA and Indokem's desire to participate in such initiatives. Please contact the followings:

<u>REGISTRAR & SHARE TRANSFER AGENT:</u>	<u>SECRETARIAL DEPT.</u>
SHAREX DYNAMIC (INDIA) PVT. LTD. C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai- 400 072. Tel No.: +91-22- 2851 5606 / 2851 5644. Email: support@sharexindia.com Website: www.sharexindia.com	INDOKEM LIMITED Plot No: 410 / 411, Khatau House, Mogul Lane, Mahim (West), Mumbai- 400 016. Tel No.: +91-22- 6123 6711 / 6123 6767 Email: iklsecretarial@gmail.com Website: www.indokem.co.in

INDOKEM LIMITED
(CIN : L31300MH1964PLC013088)

BOARD OF DIRECTORS:

Mr. Mahendra K. Khatau	Chairman and Managing Director
Mr. Manish M. Khatau	Whole-time Director
Mrs. Asha M. Khatau	Non-executive Director
Mr. Kailash Pershad	Non-executive Independent Director
Mr. S. Rajagopalan	Non-executive Independent Director
Mr. Bhalchandra Sontakke	Non-executive Independent Director

KEY MANAGERIAL PERSONNEL:

Ms. Rupal B. Parikh	Chief Financial Officer
Mr. Rajesh D. Pisal	Company Secretary and Compliance Officer

AUDITORS:

CNK & Associates, LLP

BANKERS:

HDFC Bank Ltd.
Axis Bank Ltd.
Bank Of India
Indian Overseas Bank

REGISTRAR & SHARE TRANSFER AGENT:

Sharex Dynamic (India) Pvt. Ltd.
C-101, 207 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083.

Email: support@sharexindia.com

Website: www.sharexindia.com

REGISTERED OFFICE:

Plot No: 410 / 411, Khatau House,
Mogul Lane, Mahim (West),
Mumbai - 400 016.
Tel No.: +91-22- 6123 6767 / 6123 6711

Email: iklsecretarial@gmail.com

Website: www.indokem.co.in

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53rd Annual General Meeting (AGM)

Day, Date & Time: Monday, 30th September, 2019 at 3:00 P.M.

Venue: Plot No. 410 / 411, Khatau House, Mogul Lane, Mahim (West), Mumbai – 400 016.

INDOKEM LIMITED

(CIN: L31300MH1964PLC013088)

Regd. Office: Plot No. 410 / 411, Khatau House, Mogul Lane, Mahim (West), Mumbai - 400 016.**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the **FIFTY THIRD Annual General Meeting** of the members of the Company will be held on Monday, 30th September, 2019 at 3:00 P.M. at the Registered Office of the Company situated at Plot No. 410 / 411, Khatau House, Mogul Lane, Mahim (West), Mumbai - 400 016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 31st March, 2019 including the Balance Sheet as at 31st March, 2019 and the Statement of Profit and Loss and the Cash Flow Statement as on that date together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mrs. Asha Mahendra Khatau (DIN: 00063944), who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment.

SPECIAL BUSINESS:

3. Re-appointment of Managing Director of the Company:

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

“RESOLVED THAT in accordance with the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and the rules made there under, including any statutory modifications and re-enactments thereof, the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Mahendra K. Khatau as the Managing Director (DIN: 00062794) of the Company for a period of 5 (five) years commencing from 1st April, 2020 to 31st March, 2025 upon the terms and conditions and remuneration as recommended by the Nomination and Remuneration Committee of the Board and approved by the Board of Directors of the Company, set-out in the Explanatory Statement pursuant to Section 102 of the Act annexed to the Notice convening this Meeting (including the remuneration to be paid in the event of loss or inadequacy of profits during the tenure of his re-appointment), with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board and Mr. Mahendra K. Khatau.

RESOLVED FURTHER THAT all the Directors and Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds and things, including but not limiting to filing of the necessary forms and documents with the Registrar of Companies and other regulatory authorities, and to do all such acts, deeds and things as may be necessary to give effect to the foregoing resolutions.”

4. Approval for Transactions with the Related Parties under Section 188 of Companies Act, 2013:

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 188 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded for entering into related party transactions with the parties and upto the limits as stated herein below:

Maximum value of Contract / Transaction (per annum)		(Rs. in Crores)		
Sr. No.	Name of related parties	Transaction defined u/s 188 of Companies Act, 2013		
		Sale , purchase or supply of any goods, materials	Leasing of property of any kind	Availing or rendering of any services or appointment of any agent for purchase or sale of goods, materials, services or property
On actual basis, exempted being in the ordinary course of business and on arm's length basis. (Subject to a maximum of amount p.a. as mentioned against the name of the Company)				
1.	Samudra Dye-Chem Private Limited	3	0.25	5
2.	Spiweld Chemtrade Private Limited	3	0.25	5
3.	Textomax Chemicals Private Limited	3	0.25	5
4.	Formost Chemicals Private Limited	3	0.25	5
5.	Chemron Texchem Private Limited	3	0.25	5
6.	Priyamvada Holdings Limited	3	0.25	5
7.	Asha Marine Products Private Limited	1	0.25	1
8.	Emerald Capital Services Private Limited	1	0.25	1
9.	Vindhypriya Holdings Private Limited	1	0.25	1
10.	Khatau Leasing & Finance Company Private Limited	1	0.25	1
11.	Prism Plantations Private Limited	1	0.25	1
12.	Khatau Holding & Trading Company Private Limited	1	0.25	1
13.	Prerana Leasing & Finvest Private Limited	1	0.25	1
14.	MKK Holdings Private Limited	1	0.25	1
15.	Priyanigiri Holdings Private Limited	1	0.25	1
16.	Refnol Resins & Chemicals Limited	10	0.25	1
PARTNERSHIP FIRMS:				
1.	Orchard Acres	10	0.50	1
Directors / KMPs / Relatives of Directors & KMPs / Other Firms & Companies in which Directors have some interest as per the provisions of section 2(76) of the Companies Act, 2013:				
1.	Mr. Mahendra K. Khatau	-	0.25	10
2.	Mrs. Asha M. Khatau	-	0.25	3
3.	Mr. Manish M. Khatau	-	0.25	5
4.	Ms. Priya M. Khatau	-	0.25	5
5.	*Chief Financial Officer	-	-	0.50
6.	*Company Secretary	-	-	0.50
7.	*Managing Director	-	-	2
*Any Contract between the Company & person appointed / designated as Company Secretary, Chief Financial Officer and Managing Director				
Any Contract or transaction with all the above parties for selling or otherwise disposing of, or buying, property of any kind to be on marker value and on arm's length relationship basis.				

RESOLVED FURTHER THAT all the Directors and Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds and things, including but not limiting to filing of the

necessary forms and documents with the Registrar of Companies and other regulatory authorities, and to do all such acts, deeds and things as may be necessary to give effect to the foregoing resolutions.”

**For Indokem Limited
By order of the Board**

**Sd/-
Rajesh D. Pisal
Company Secretary**

**Place: Mumbai
Date: 12th August, 2019**

NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting ‘AGM’ is entitled to appoint a proxy to attend and to vote on a poll instead of himself/herself and the proxy need not be a member of the Company.**
2. **A person can act as a proxy on behalf of members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder the instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty eight hours before the commencement of the AGM. Members may please note that a proxy does not have the right to speak at the meeting and can vote only on poll.**

During the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days written notice is given to the Company.

3. Corporate members are requested to send in advance, duly certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend the AGM.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2019 to 30th September, 2019 (both days inclusive) for the purpose of AGM.
5. Only registered members of the Company or any proxy appointed by such registered member may attend the AGM as provided under the provisions of the Companies Act, 2013.
6. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 forms part of the Notice.
7. All documents referred to in the Notice and the Explanatory Statement annexed hereto, are open for inspection upto two days prior to the said meeting, at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on all working days of the Company (except Saturdays, Sundays and Government Holidays).
8. Members are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.
9. With a view to help us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
10. Members, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail the numerous benefits of dematerialization, which includes easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
11. Alteration, if any, made in the Proxy Form should be initialed.
12. To support the Green Initiative of the Government, Electronic copy of the Annual Report for the year ended 31st March, 2019 will be sent to members whose mail IDs are available with the Depository Participant(s).

Members who have not registered their email address, physical copy of the Annual Report will be sent in the permitted mode. Accordingly by virtue of the above we request the members of the Company to kindly register/ update their email address with their respective Depository Participants, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register/update their e-mail address with our Share Transfer Agent at support@sharexindia.com

13. The Company has been maintaining, interalia, the following Statutory Registers at its registered office which

are open for inspection by members and others, in terms of the applicable provisions of the Companies Act, 2013 specified below:

- i) Registers of contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013, on all working days during business hours. The said Registers shall also be produced at the commencement of AGM of the Company and shall remain open and accessible during the continuance of the meeting to a person having the right to attend the meeting.
 - ii) Registers of Directors and Key Managerial Personnel (KMP) and their shareholding under Section 170 of the Companies Act, 2013, on all working days during business hours. The said Registers shall be kept open for inspection at the AGM of the Company and shall be made accessible to a person attending the meeting.
14. Members / Proxies are requested to bring their attendance slip duly filled and signed for attending the meeting along with their copy of Annual Report to the meeting. Proxies are requested to bring their identity proof at the meeting for the purpose of identification.
 15. The Securities and Exchange Board of India (SEBI) has made it mandatory for every participant in the securities/ capital market to furnish Income Tax Permanent Account Number (PAN) for transactions involving transfer of shares. Therefore members holding shares in physical form are requested to furnish their PAN along with self- attested photocopy of PAN Card to our Share Transfer Agent. Members holding shares in Demat form are requested to register the details of their PAN with their Depository Participant (DP).
 16. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic / Demat form, the members may please contact their respective Depository Participant.

Members may note that the Notice of the 53rd AGM and the Annual Report for 2018-19 will also be available on the website of the Company at www.indokem.co.in. Physical copies of the aforesaid notice will also be available at the registered office of the Company situated at Plot No. 410 / 411, Khatau House, Mogul Lane, Mahim (West), Mumbai- 400 016 for inspection between 11:00 a.m. and 1:00 p.m. on all working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post for free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: iklsecretarial@gmail.com.

17. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) rules, 2014 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015), the Company is pleased to provide the members to exercise their rights to vote at the 53rd AGM of the Company by electronic means through remote e-voting facility provided by National Securities Depository Limited) 'NSDL'.
18. The facility for voting through Ballot Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
19. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
20. Route map for directions to the venue of the meeting is provided in the Annual Report.

INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

- (i) The voting period begins on Friday, 27th September, 2019 at 9:00 a.m. and ends on Sunday, 29th September, 2019 at 5:00 p.m. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday 23rd September, 2019 may cast their votes electronically.
- (ii) The e-voting module shall be disabled by NSDL for voting thereafter.
- (iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue. The shareholders should log on to the e-voting website at www.evoting.nsdl.com.
- (iv) Click on Shareholders.

- (v) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evoting.nsdl.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through NSDL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using NSDL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users

can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to evoting@nsdl.co.in.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to evoting@nsdl.co.in and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evoting.nsdl.com under help section or write an email to evoting@nsdl.co.in.

Please Note that:

1. The voting period begins on Friday, 27th September, 2019 at 9:00 a.m. and on ends Sunday, 29th September, 2019 at 5:00 p.m. During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date which is Monday 23rd September, 2019, may cast their vote electronically. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on this cut-off date. The e-voting module shall be disabled by NSDL for voting after 5:00 p.m. on Sunday 29 September, 2019.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at under help section or write an email to evoting@nsdl.co.in

2. Mr. Samita Tanksale, Company Secretary in Practice (Membership No. 26044) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
3. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in employment of the Company and forward her report of the votes cast in favour or against, to the Chairman or to any Director or officer who may be authorized by the Chairman for this purpose.

The Results shall be declared on or after the AGM. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.indokem.co.in and on the website of NSDL within two days of passing of Resolutions at the AGM of the Company and shall also be communicated to the Stock Exchange. The Resolution shall be deemed to be passed at the AGM of the Company scheduled to be held on Monday, 30th September, 2019.

**For Indokem Limited
By order of the Board**

Sd/-
Rajesh D. Pisal
Company Secretary

Place: Mumbai
Date: 12th August, 2019

Registered Office:
Plot No. 410 / 411, Khatau House,
Mogul Lane, Mahim (West),
Mumbai – 400 016.

Explanatory Statement u/s. 102 of the Companies Act, 2013:**ITEM NO: 3****Re-appointment of Managing Director:**

The tenure of Mr. Mahendra K. Khatau, who was appointed as the Managing Director of the Company by the members of the Company expires on 31st of March, 2020. Company is desirous to re-appoint Mr. Mahendra K. Khatau (DIN : 00062794), as the Managing Director of the Company for a period of five years with effect from 1st of April, 2020 and he has consented for the same.

Keeping in view that Mr. Mahendra K. Khatau has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to continue the employment of Mr. Mahendra K. Khatau as the Managing Director of the Company.

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution on 12th August, 2019 approving re-appointment of Mr. Mahendra K. Khatau, as Managing Director of the Company for a further period of five years with effect from 1st April, 2020 upto 31st March, 2025, subject to the approval of the members at this AGM.

Mr. Mahendra K. Khatau aged 64 years is on the Board of the Company since 28th January, 1986. He is a Commerce Graduate and has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The details of remuneration payable to Mr. Mahendra K. Khatau and the terms and conditions of the re-appointment are given below:

- i) Salary: Rs. 3,00,000/- per month with annual increment of such amount as may be decided by the Board.
- ii) Rent Free furnished Accommodation owned or leased / rented. In case the Company provides no accommodation, Mr. Khatau shall receive house rent allowance of Rs. 1,50,000/- per month.
- iii) Housing Maintenance Allowance: Rs. 80,000/- per month.
- iv) Reimbursement of gas, electricity, water charges & furnishing up to Rs. 15,000/- per month.
- v) Medical Reimbursement: Reimbursement of expenses incurred by Mr. Mahendra Khatau for himself and his family subject to ceiling of Rs. 5,000/- per month.
- vi) Leave Travel allowance for himself and his family is Rs. 5,000/- per month, once in a year in accordance with rules of the Company.
- vii) Personal Accident Insurance / Mediciam Policies:- In accordance with the rules of the Company, premium on Personal Accident Insurance / Mediciam Policies shall be paid.
- viii) Club Fees:- Fees of the Clubs restricted to two clubs. No admission and life membership fees shall be paid.
- ix) Car with driver and Telephone:- The Company will provide a Car with Driver and Telephone at the residence of Mr. Mahendra Khatau. The provision of car for use on Company's business and Telephone at residence will not be considered as perquisite.
Personal long distance calls and use of car for private purposes shall be billed by the Company to Mr. Mahendra K. Khatau.
- x) Earned Leave:- On full pay and allowance and perquisite as per the rules of the Company. Encashment of leave for a maximum of 60 days at the end of the tenure will be permissible, which shall not be included in the computation of minimum remuneration.
- xi) Company's contribution towards Provident Fund to the extent it is not taxable under Income Tax Act, 1961.
- xii) Gratuity not exceeding half a month's salary for each completed year of service. The aforesaid perquisites stated shall not be included in the computation of minimum remuneration.

The Board of Directors recommends the resolution in relation to the re-appointment of Executive Chairman and Managing Director, for the approval of the shareholders of the Company.

Notice has been received from members signifying their intention to propose appointment of Mr. Mahendra K. Khatau as the Managing Director of the Company.

The disclosure under SEBI Listing Regulations, 2015 is provided at Annexure A of this Notice.

Except Mrs. Asha M. Khatau and Mr. Manish M. Khatau or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at Item No. 3.

I. GENERAL INFORMATION:

(1) **Nature of industry:** Dyes and Chemicals.

(2) **Financial Performance based on given indicators:**

During the year ended 31st March, 2019 the Company achieved total Income of Rs. 8,073 Lakhs, a profit before depreciation and tax of Rs. 8 Lakhs and Net Loss after tax of Rs. 98 Lakhs. The detailed financial performance of the Company is discussed in the enclosed Annual Report for the year ended 31st March, 2019.

(3) **Foreign investments or Collaborations, if any:**

There are no foreign investments or collaborations in / with the Company.

II. INFORMATION ABOUT APPOINTEE AND OTHER INFORMATION:

(1) **Background Details:**

Mr. Mahendra K. Khatau aged 64 years is on the Board of the Company since 28th January, 1986. He is a Commerce Graduate and has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time.

Mr. Mahendra K. Khatau is a promoter of the Company and is holding 6.73% equity shares in the paid-up share capital of the Company. During the last financial year, Mr. Mahendra K. Khatau attended all the 4 Board meetings of the Company.

Details of his Directorships and committee positions are stated below.

Other Directorship:

1. Indokem Limited - Chairman and Managing Director
2. Refnol Resins and Chemicals Limited - Chairman
3. Priyamvada Holdings Limited
4. Khatau Holdings and Trading Company Private Limited
5. Khatau Leasing and Finance Company Private Limited
6. Prerana Leasing and Finvest Company Private Limited
7. Vindhya Priya Holdings Private Limited
8. MKK Holdings Private Limited
9. Priyanilgiri Holdings Private Limited
10. Prism Plantations Private Limited
11. Chemron Texchem Private Limited
12. Mulraj Khatau and Sons Limited
13. Khatau Makanji and Company Private Limited

Chairman/Member of the following Committees:

Sr. No.	Name of the Company	Name of the Committee	Chairman/Member
1.	Indokem Limited	Audit Committee	Member
2.	Indokem Limited	Committee of Directors	Chairman
3.	Indokem Limited	Share Transfer Committee	Chairman
4.	Indokem Limited	Risk Management Committee	Chairman
5.	Refnol Resins and Chemicals Limited	Stakeholders' Relationship Committee	Member
6.	Refnol Resins and Chemicals Limited	Committee of Directors	Chairman

(2) Job profile and suitability:

Mr. Mahendra K. Khatau (holding DIN No. 00062794) shall be responsible for the day today operation and managing the affairs of the Company under the superintendence, guidance and control of the Board. He is functioning as an Executive Chairman and Managing Director of the Company since 1st April, 1995.

(3) Remuneration proposed:

As mentioned above under explanatory statement.

(4) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Keeping in view the type of the industry, size of the Company and the responsibilities and profile of Mr. Mahendra K. Khatau, the proposed remuneration is competitive with the remuneration paid by other Companies in similar line of business to such managerial personnel.

(5) Pecuniary relationship with the Company, or relationship with the managerial personnel:

Mr. Mahendra K. Khatau is a promoter of the Company and holding 6.73% equity shares in the paid-up capital of the Company. Mr. Manish M. Khatau and Mrs. Asha M. Khatau, Directors of the Company, may be deemed to be interested in the Resolution pertaining to the re-appointment of and remuneration payable to Mr. Mahendra K. Khatau as they are related to each other. Save and except the above, none of the other Directors or Key Managerial Personnel of the Company are, in any way, concerned or interested in the Resolution.

III. OTHER INFORMATION:
(1) Reasons of inadequate profits:

Uncertain economic conditions, poor economic growth, high inflation, slow-down in industrial growth, restrictions imposed on the Industry by Ministry of Environment in China severely affected the markets. This had an adverse effect on profitability.

(2) Steps taken /to be taken for improvement:

The Company has modernized its facilities and expanded its existing capacities of plant operations to produce more value added chemicals. The Company continues to make all efforts to recover dues from the clients by negotiations or by resorting to legal remedy.

(3) Expected increase in productivity and profits:

Newly elected stable and decisive government at the Centre will certainly boost the prospects for the financial year 2019-20 and the Management is optimistic of achieving improvement in performance.

IV. DISCLOSURES:

The details required to be furnished under the Disclosures, are already provided wherever applicable under the Explanatory Statement and Corporate Governance Report.

Mr. Mahendra K. Khatau satisfies all conditions set out in Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for re-appointment. He is not disqualified from being a Director in terms of Section 164 of the Act.

In compliance with provisions of Sections 196 and 197 and other applicable provisions of the Act, read with Schedule V of the Act, the terms of re-appointment and remuneration of Mr. Mahendra K. Khatau as specified above are now placed before the Members for their approval.

Mr. Mahendra K. Khatau is interested in the Resolutions as set out in the Notice which pertains to his re-appointment and remuneration payable to him.

Except for Mrs. Asha M. Khatau and Mr. Manish M. Khatau or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at Item No. 3.

This Explanatory Statement may also be regarded as a disclosure under Regulations of SEBI (Listing Regulations, 2015) with the Stock Exchange.

The Board recommends the Resolution as set out at Item No. 3 of the Notice for your approval.

ITEM NO. 4:**Transactions with Related Parties u/s 188 of the Companies Act, 2013**

The provisions of Section 188(1) of the Companies Act, 2013 governs Related Party Transactions and require a Company to obtain prior approval of the Board of Directors and in case paid up share capital or transactions as may be prescribed from time to time are more, then prior approval of shareholders by way of Special Resolution is required.

Further, third proviso to Section 188(1) provides that nothing shall apply to any transaction entered into by the Company in its ordinary course of business other than transactions which are not on Arm's Length Basis.

Though the Company is not coming under the purview of Section 188(1) and all transactions are on Arm's Length Basis /Ordinary Course of Business, however as a good Corporate Governance, Company is seeking approval of the members.

The provisions of Section 188 (3) also provide that any contract or arrangement entered into under Section 188 (1) may be ratified by the Board, or as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement were entered into.

In light of the provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions along with annual limits that your Company may enter into with its Related Parties (as defined under the Companies Act, 2013) for the financial year 2019-20 in the Board Meeting held on 13th May, 2019.

All prescribed disclosures as required to be given under the provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 are given herein below in a tabular format for kind perusal of the members.

Maximum value of Contract / Transaction (per annum) (Rs. in Crores)

Sr. No.	Name of Related Parties	Transaction defined u/s 188 of Companies Act, 2013		
		Sale , purchase or supply of any goods, materials	Leasing of property of any kind	Availing or rendering of any services or appointment of any agent for purchase or sale of goods, materials, services or property

On actual basis, exempted being in the ordinary course of business and on arm's length basis. (Subject to a maximum of amount p.a. as mentioned against the name of the Company)

1.	Samudra Dye-Chem Private Limited	3	0.25	5
2.	Spiweld Chemtrade Private Limited	3	0.25	5
3.	Textomax Chemicals Private Limited	3	0.25	5
4.	Formost Chemicals Private Limited	3	0.25	5
5.	Chemron Texchem Private Limited	3	0.25	5
6.	Priyamvada Holdings Limited	3	0.25	5
7.	Asha Marine Products Private Limited	1	0.25	1
8.	Emerald Capital Services Private Limited	1	0.25	1
9.	Vindhyapriya Holdings Private Limited	1	0.25	1
10.	Khatau Leasing & Finance Company Private Limited	1	0.25	1
11.	Prism Plantations Private Limited	1	0.25	1
12.	Khatau Holding & Trading Company Private Limited	1	0.25	1
13.	Prerana Leasing & Finvest Private Limited	1	0.25	1
14.	MKK Holdings Private Limited	1	0.25	1
15.	Priyanilgiri Holdings Private Limited	1	0.25	1
16.	Refnol Resins & Chemicals Limited	10	0.25	1

PARTNERSHIP FIRMS:

1.	Orchard Acres	10	0.50	1
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Directors / KMPs / Relatives of Directors & KMPs / Other Firms & Companies in which Director have some interest as per the provisions of section 2(76) of the Companies Act, 2013.

1.	Mr. Mahendra K. Khatau	-	0.25	10
2.	Mrs. Asha M. Khatau	-	0.25	3
3.	Mr. Manish M. Khatau	-	0.25	5
4.	Ms. Priya M. Khatau	-	0.25	5
5.	* Chief Financial Officer	-	-	0.50
6.	*Company Secretary	-	-	0.50
7.	*Managing Director	-	-	2

*Any Contract between the Company & person appointed / designated as Company Secretary, Chief Financial Officer and Managing Director

Any Contract or transaction with all the above parties for selling or otherwise disposing of, or buying, property of any kind to be on market value and on arm's lengths relationship basis.

Members are hereby informed that pursuant to second proviso of Section 188 (1) of the Companies Act, 2013, no member of the Company shall vote on such Special Resolution to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.

The Board of Directors of your Company has approved this item in the Board Meeting held on 13th May, 2019. The Board of Directors is of the opinion that the transactions are on arm's length basis and are in the ordinary course of business and recommends the Resolution as set out in the accompanying Notice for the approval of members of the Company as a Special Resolution.

ANNEXURE - A

Profile of the Directors seeking re-appointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

I

Name	Mrs. Asha Mahendra Khatau
DIN	00063944
Expertise in functional areas	Mrs. Asha Khatau is a B.A. Graduate and has an experience of over 25 years in the fields of General Management as a Consultant and Advisor.
Disclosure of relationship between Directors inter-se	Mrs. Asha M. Khatau is (Spouse) of Mr. Mahendra K. Khatau, Chairman and Managing Director and (Mother) of Mr. Manish M. Khatau, Whole-time Director.
Name of listed entities in which the person also holds the Directorship, chairmanship and the membership of Committees of the Board;	Refinol Resins & Chemicals Limited Stakeholders Relationship Committee- Chairmanship
Number of shares held in Indokem Limited	45243

II.

Name	Mr. Mahendra Kishore Khatau
DIN	00062794
Expertise in functional areas	Mr. Mahendra K. Khatau is a Commerce Graduate and has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time.
Disclosure of relationship between Directors inter-se	Mr. Mahendra K. Khatau is (Spouse) of Mrs. Asha M. Khatau, Non-executive Director and (Father) of Mr. Manish M. Khatau, Whole-time Director.
Name of listed entities in which the person also holds the Directorship, chairmanship and the membership of Committees of the Board;	Refinol Resins & Chemicals Limited Stakeholders Relationship Committee- Member Committee of Directors- Member Vigil Mechanism Committee- Chairman.
Number of shares held in Indokem Limited	1637066

DIRECTORS' REPORT

To,
The Members of Indokem Limited

Your Directors have pleasure in presenting the **Fifty Third Annual Report** together with the Audited Accounts for the financial year ended **31st March, 2019**.

1. Financial Results: **(Rs. in Lakhs)**

Particulars	For the financial year ended 31.03.2019	For the financial year ended 31.03.2018
A – Income from Continuing Operations	7940	7967
Profit / (Loss) Before Interest, Depreciation & Taxes	118	(6)
Less: Interest	116	77
Depreciation	100	82
Profit / (Loss) Before Tax	(98)	(165)
Less: Provision for Tax	-	-
Profit / (Loss) After Taxes	(98)	(165)
B – Income from Discontinuing Operations	(18)	(7)
Profit / (Loss) for the year	(116)	(172)
Total other comprehensive income	10	(36)
Total comprehensive income / (loss) for the year	(106)	(208)
Profit / (Loss) Brought Forward from last year	(1622)	(1414)
Surplus / Deficit carried to Reserves	(1728)	(1622)

2. Dividend:

Considering the accumulated losses, the Board of Directors of your Company does not consider it appropriate to recommend any Dividend for the financial year ended 31st March, 2019.

3. Operational Performance:

Revenue from operations for F. Y. 2018-19 at Rs.7940 lakhs declined by 0.34% over previous year Rs.7967 lakhs. EBITDA at Rs.118 lakhs registered an increase over EBITDA of Rs. (6) lakhs in F. Y. 2017-18. PAT for the year was Rs. (98) lakhs registering an increase over the PAT of Rs. (165) lakhs in F. Y. 2017-18. Despite global slowdown in F. Y. 2018-19, Company has maintained the same pace of growth in production and sales as compared to the last year.

During the year, Company has registered itself under Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 as a Small Enterprise.

4. Transfer to Reserves:

In view of inadequate profits for the year under review, no amount has been transferred to the reserves.

5. Directors and Key Managerial Personnel:

Pursuant to the provisions of Section 149 of the Act, Mr. Kailash Pershad (DIN: 00503603), Mr. Rajagopalan Sessa (DIN: 00289643) and Mr. Bhalchandra Sontakke (DIN: 01225753) were appointed as Independent Directors of the Company at the AGM convened on 28th September, 2018. They have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as Independent Director during the year.

Mrs. Asha M. Khatau retires by rotation and being eligible has offered herself for re-appointment.

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

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are Mr. Mahendra K. Khatau as Chairman and Managing Director, Mr. Manish M. Khatau as Whole-time Director, Ms. Rupal B. Parikh as Chief Financial Officer and Mr. Rajesh D. Pisal as Company Secretary.

6. Appointment of Director:

Mrs. Asha M. Khatau, Non-executive Director of your Company, retires by rotation and being eligible, offers herself for re-appointment. The details regarding Mrs. Asha M. Khatau as required under Regulation 17 of SEBI Listing Regulations, 2015 are disclosed in the notice of the Annual General Meeting. None of the other Directors are related inter se except Mr. Mahendra K. Khatau and Mr. Manish M. Khatau who are related to each other.

7. Remuneration of Directors and Key Managerial Personnel:

Pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of remuneration of Directors and Key Managerial Personnel are as furnished in **Annexure A**.

8. Statutory Auditors:

Pursuant to the provisions of Section 139 of the Companies Act, 2013, CNK & Associates LLP, Chartered Accountants, Mumbai, were appointed as the Statutory Auditors of the Company on 29th September, 2017 for a period of five years to hold office until the conclusion of the 56th Annual General Meeting. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

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

9. Secretarial Audit Report:

Pursuant to the Provisions of Section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Ragini Chokshi & Co. Company Secretaries, Mumbai to undertake Secretarial Audit of the Company for the financial year ended 31st March, 2019. The Secretarial Audit Report in the prescribed **Form MR-3** issued by Ragini Chokshi & Co. (Company Secretaries) forms part of this Annual Report.

There are no qualifications, reservations or adverse remarks in the Report.

10. Training and Familiarization Programme for Directors:

The Company has provided information and made the Independent Directors aware about the major developments in legal and regulatory areas, particularly regarding Companies Act, 2013 and Regulation 25 (7) of SEBI Listing Regulations, 2015. The details of Familiarization Programme for the Independent Directors are available on the website of the Company at www.indokem.co.in

11. Statement of declaration given by Independent Directors:

The Independent Directors of the Company have submitted their Declaration of Independence as required under the provisions of Section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of Independence as provided in Section 149 (6) of the Act.

12. Particulars of Employees:

None of the employees of the Company fall under the limits laid down in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

13. Directors' Responsibility Statement:

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors hereby confirm that:

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- (ii) Appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the

Company at the end of the financial year and of the Profit of the Company for that period;

- (iii) Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Annual Accounts had been prepared on a going concern basis;
- (v) The Internal Financial Controls had been laid down to be followed by the Company and the such internal financial controls are adequate and are operating effectively; and
- (vi) In order to ensure compliance with the provisions of all applicable laws, proper systems had been devised and that such systems were adequate and operating effectively.

14. Disclosures:

As required under Regulation 34(2) read with Schedule V of SEBI Listing Regulations, 2015, the **Management Discussion and Analysis** is enclosed as a part of the Annual Report.

The Company has taken necessary steps to adhere to all the requirements of SEBI Listing Regulations, 2015. **A report on Corporate Governance** together with the Certificate of the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in Regulation 34(3) read with Schedule V of SEBI Listing Regulations, 2015 is included as a part of the Annual Report.

15. Extract of Annual Return:

Pursuant to Section 134(3)(a) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the extract of Annual Return in the prescribed **Form MGT-9** is attached herewith and marked as **Annexure D**.

16. Number of meetings of the Board:

Four meetings of the Board were held during the financial year. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

17. Performance Evaluation of the Board:

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed under SEBI Listing Regulations, 2015. The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, etc

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contributions of the individual. Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition, the Chairman was also evaluated on the key aspects of his role.

A separate meeting of Independent Directors was convened in the month of March, 2019, to discuss the following:

- (i) Review the performance of Non-independent Directors and the Board as a whole;
- (ii) Review the performance of the Chairman of the Company, taking in to account the views of Executive Directors and Non-executive Directors;
- (iii) Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All Independent Directors were present at the Meeting and discussed the above and expressed their satisfaction.

18. Policy on Directors' Appointment and Remuneration and other details:

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of this report.

19. Internal Financial Control Systems and their Adequacy:

Company has established Internal Financial Control over financial reporting in the financial year 2016-17.

The details in respect of Internal Financial Control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

20. Audit Committee:

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which forms part of this report.

21. Particulars of Loans, Guarantees or Investments:

Pursuant to Section 186 of the Companies Act, 2013, the details of loans given, investments made or guarantees given are given in Note No. 29 to the financial statements for the financial year 2018-19.

The loans, investments, guarantees and securities provided by the Company during the financial year ended 31st March, 2019, together with the existing loans, investments, guarantees and securities do not exceed the limits prescribed under Section 186(2) of the Act.

22. Transactions with Parties:

None of the transactions with related parties fall under the scope of Section 188(1) of the Companies Act, 2013. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are stated in **Annexure B in Form AOC-2** which forms part of this report.

23. Insurance:

All the properties and insurable interests of the Company including the buildings, plant and machineries and stocks have been adequately insured.

24. Material Changes and Commitments:

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

25. State of Company's Affairs:

There is no change in the nature of business during the year under review. No order has been passed by any Regulatory Court or Tribunal, which can impact the going concern status of the Company and its operations in future.

26. The Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

Your Company is engaged in the continuous process of energy conservation by way of improved operational and maintenance practices:

A. Conservation of Energy:
(a) Energy Conservation measures taken:
(i) Electrical Energy:

- Regular preventive / predictive maintenance of electrical system is carried out to ensure minimum loss of energy / power supply.
- Regular upgradation in electrical system is done so as to minimize consumption of electrical power supply.

(ii) **Furnace Oil / LDO Consumption:**

There is no major consumption of Furnace Oil / Light Diesel Oil. However, there are some processing activities carried out limiting the consumption of energy.

(b) **Additional investments and proposals if any, being implemented for reduction of consumption of energy:**

Apart from the above mentioned strategies your Company is in the process to upgrade and install new machineries which will altogether result in energy saving and will add to operational efficiency in coming years.

(c) **Impact of the measures at (a) and (b) for reduction of consumption of energy and consequent impact on the cost of production:**

There is no such special impact for the same.

(d) **Energy consumption and energy consumption per unit of production:**

As per **Form– A** forming part of **Annexure C**

B. Technology Absorption:

Your Company has taken positive efforts for technology absorption and its up gradation;

- (a) Modification in air conditioning system to improve process conditions.
- (b) Modification in existing machines for high value and new products developments including process simplification.
- (c) The Company focused its Research and Development efforts on process and process development of new products and formulations, trouble shooting.

Due to above factors and measures been considered there are various benefits resulted as such;

- (i) Cost reduction
- (ii) Improvement in quality
- (iii) Improvement in operating performance
- (iv) New product developments

C. Foreign Exchange Earnings and Outgo:

(Rs. in Lakhs)

PARTICULARS	31.03.2019	31.03.2018
I. Foreign Exchange Earned		
F. O. B. Value of Export	1283	1360
II. Foreign Exchange Outgo		
C. I. F. Value of Imports of Raw Materials	96	64
Expenses in Foreign Currency	14	46
TOTAL	110	110

27. Committees of Directors and Key Managerial Personnel:

Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors and Stakeholders Relationship / Grievance Committee of Directors, number of meetings held of each Committee during the financial year 2018-19 and meetings attended by each member of the Committee as required under the Companies Act, 2013 are provided in Corporate Governance Report forming part of the report.

28. Corporate Social Responsibility (CSR):

Your Company does not fall under the criteria of Corporate Social Responsibility as laid down under Section 135 of the Companies Act, 2013 and by virtue of above your Company has not initiated any initiative for the same.

29. Cost Audit:

Your Company does not fall under the eligibility criteria to conduct Cost Audit and to maintain Cost Records as required under Section 148 of the Companies Act, 2013 during the financial year 2018-19.

30. Appreciation:

The Board of Directors is thankful to the employees, customers, vendors, investors of the Company for their continuous support and is grateful for the confidence and faith shown by them. Your Directors take this opportunity to place on record their sincere gratitude to the Banks, Central and State Government Departments and the Local Authorities for their guidance and support.

For and on behalf of the Board

Sd/-

**Mr. Mahendra K. Khatau
Chairman & Managing Director**

DIN: 00062794

Place: Mumbai

Date: 12th August, 2019

ANNEXURE A

[Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- i. The ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year:

(Rs. in Lakhs)

Sr. No.	Particulars	Remuneration for the financial year ended 31 st March, 2019	Ratio of Remuneration to median remuneration of employees
1.	Mr. Mahendra K. Khatau Chairman & Managing Director	66.88	6.03
2.	Mr. Manish M. Khatau, Whole-time Director	29.10	13.86

Note: The Non-executive Non-independent Directors of the Company are not paid any remuneration by the Company. The Independent Directors of the Company are entitled to sitting fees as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Independent Directors are provided in the Corporate Governance Report.

- ii. The percentage increase in remuneration of each Executive Director, Chief Financial Officer, Company Secretary in the financial year is given below:

Executive Directors, Chief Financial Officer and Company Secretary	% increase / (decrease) in remuneration in the financial year
Mr. Mahendra K. Khatau - Chairman and Managing Director	65.25
Mr. Manish M. Khatau – Whole-time Director	20.70
Ms. Rupal B. Parikh – Chief Financial Officer	08.24
Mr. Rajesh D. Pisal – Company Secretary	18.44

- iii. The percentage increase in the median remuneration of employees in the financial year: 8%
- iv. The number of permanent employees on the rolls of Company as on 31st March, 2019: 103
- v. 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 any exceptional circumstances for increase in the managerial remuneration:
Average Percentile Increase for other than managerial personnel: 8%
Average Percentile Increase for managerial personnel: 28%
- vi. It is affirmed that the remuneration paid during the period under review is as per the remuneration policy of the Company..

ANNEXURE B

FORM NO. AOC – 2

[Pursuant to Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain Arm's Length Transactions under third proviso thereto.

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

No such transactions were entered during the financial year 2018-19.

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

The contracts or arrangements or transactions entered with the related parties during the financial year 2018-19 under review, were not material and the same were disclosed in the notes to accounts forming part of the Financial Statements for the year ended 31st March, 2019.

For and on behalf of the Company

Sd/-

Mahendra K. Khatau

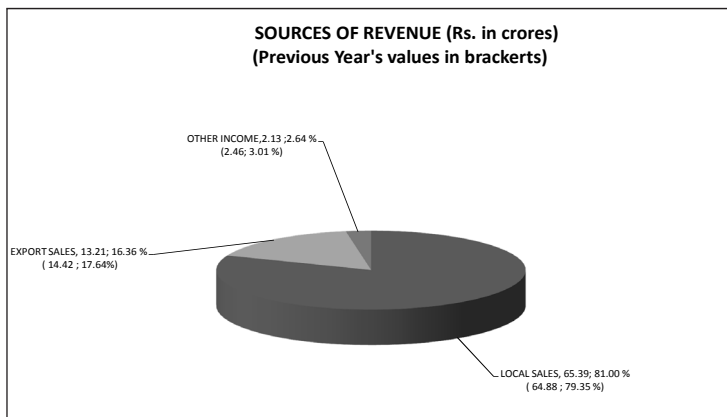
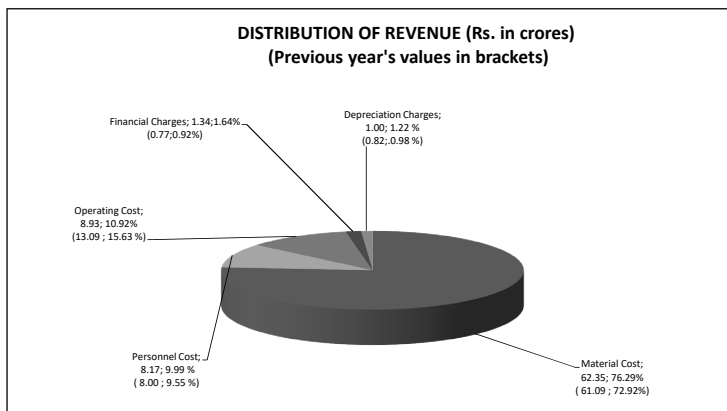
Chairman & Managing Director

DIN: 00062794

Place: Mumbai

Date: 12th August, 2019

FINANCIAL HIGHLIGHTS F. Y. - 2018-19



ANNEXURE C
FORM A

[Statement showing particulars as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars with respect to Conservation of Energy:

Particulars		For the financial year ended 31.03.2019	For the financial year ended 31.03.2018
A. Power and Fuel Consumption			
1. Electricity			
(a) Purchased Units in Lakhs		3.32	3.72
Total Amount – Rs. In Lakhs		34.71	33.75
Cost Rs. / Unit		10.45	9.06
(a) Own Generation			
(i) Through Diesel Generator Set:			
Units generated / Lakhs		N.A.	N.A.
Units Per Ltr. of Diesel Oil			
Cost – Rs. / Unit			
(ii) Through Steam Turbine / Generator			
2. Coal (specify quality and where used)		N.A.	N.A.
3. Furnace Oil Quantity – Ltrs.		40628	44151
Total Amount – Rs. In Lakhs		22.55	19.06
Average Rate – Rs. / Unit		55.50	43.19
1. Others / internal generation			
Gas - (000 NM ³)		N.A.	N.A.
Total Amount – (Rs. in Lakhs)			
Average Rate – (Rs. / NM ³)			
B. Production / Consumption of:			
		For the financial year ended 31.03.2019	For the financial year ended 31.03.2018
Products			
Dyes	MT	361.258	536.431
Sizing Chemicals	MT	7340.851	6821.432
Auxiliaries	MT	1468.790	1107.537
Capacitors	Units	287	154

ANNEXURE D
FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN
As on financial year ended 31.03.2019

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

A. REGISTRATION AND OTHER DETAILS:

CIN:	L31300MH1964PLC013088
Registration Date:	22nd December, 1964
Name of the Company:	INDOKEM LIMITED
Category / Sub-Category of the Company	Company Limited by Shares/ Non - Government Company Public Limited Company
Address of the Registered office and contact details:	Plot No. 410 / 411, Khatau House, Mogul Lane, Mahim - West, Mumbai - 400 016.
Whether listed Company	Yes, listed at the Bombay Stock Exchange Limited
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Pvt. Ltd. C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. T: 2851 5606/ 5644

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service% to total turnover of the Company	% to total turnover of the Company
a.	Manufacture of basic Chemicals	2011	100%

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held
NIL				

D. SHARE HOLDING PATTERN
i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2018				No. of Shares held at the end of the year 31-03-2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(1) INDIAN									
(a) Individual	1902647	0	1902647	7.822	1902847	0	1902847	7.822	0.001
(b) Central Govt.	0	0	0	0	0	0	0	0	0
(c) State Govt(s).	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	15350164	0	15350164	63.103	15350164	0	15350164	63.103	0
(e) FIINS / BANKS.	0	0	0	0	0	0	0	0	0
(f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	17252811	0	17252811	70.925	17253011	0	17253011	70.925	0.001
(2) FOREIGN									
(a) Individual NRI / For Ind	0	0	0	0	0	0	0	0	0
(b) Other Individual	0	0	0	0	0	0	0	0	0
(c) Bodies Corporates	0	0	0	0	0	0	0	0	0
(d) Banks / FII	0	0	0	0	0	0	0	0	0
(e) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f) Any Other Specify	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	17252811	0	17252811	70.925	17253011	0	17253011	70.925	0.001

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2018				No. of Shares held at the end of the year 31-03-2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B) (1) PUBLIC SHAREHOLDING									
(a) Mutual Funds	0	27500	27500	0.113	0	27500	27500	0.113	0.000
(b) Banks / FI	400	1675	2075	0.009	400	1675	2075	0.009	0.000
(c) Central Govt.	0	0	0	0.000	0	0	0	0.000	0.000
(d) State Govt.	0	0	0	0.000	0	0	0	0.000	0.000
(e) Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
(f) Insurance Companies	5000	24200	29200	0.120	5000	24200	29200	0.120	0.000
(g) FIs	0	0	0	0.000	0	0	0	0.000	0.000
(h) Foreign Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
(i) Others (specify)	0	0	0	0.000	0	0	0	0	0.000
Sub-total (B)(1):	5400	53375	58775	0.242	5400	53375	58775	0.242	0
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	237838	94577	332415	1.367	121950	92952	214902	0.883	-0.483
(ii) Overseas	0	0	0	0.000	0	0	0	0.000	0.000
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	2329625	3074498	5404123	22.216	2262377	2930981	5193358	21.349	-0.866
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1110990	26250	1137240	4.675	1367247	48900	1416147	5.822	1.147
(c) Other (specify)									
Non Resident Indians	21482	2800	24282	0.100	37013	2000	39013	0.160	0.061
Overseas Corporate Bodies	0	0	0	0.000	0	0	0	0	0.000
NBFCs Reg. With RBI	4089	0	4089	0.000	0	0	0	0	0.000
Clearing Members	111865	0	111865	0.460	150244	0	150244	0.618	0.158
Trusts	0	0	0	0	150	0	150	0.001	0.001
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0.000
Sub-total (B)(2):-	3815889	3198125	7014014	28.834	3938981	3074833	7013814	28.833	-0.001
Total Public Shareholding (B)= (B)(1)+ (B)(2)	3821289	3251500	7072789	29.075	3944381	3128208	7072589	29.075	-0.001
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.000	0	0	0	0.000	0.000
Grand Total (A+B+C)	21074100	3251500	24325600	100.00	21197392	3128208	24325600	100.00	0

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% changes in share holding during the year
		No. of Shares	% of total Shares of the Company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares Pledged / encumbered to total shares	
1	VINDHYAPRIYA HOLDINGS PVT. LTD.	5365296	22.056	11.511	5365296	22.056	11.511	0.000
2	PRIYANILGIRI HOLDINGS PVT. LTD.	4896929	20.131	0	4896929	20.131	0	0.000
3	MKK HOLDINGS PVT. LTD.	3777877	15.530	0.822	3777877	15.530	0.822	0.000
4	MAHENDRA KISHORE KHATAU	1636866	6.729	3.083	1637066	6.730	3.083	0.001
5	KHATAU HOLDINGS AND TRADING COMPANY PVT. LTD.	847705	3.485	0	847705	3.485	0	0.000
6	EMERALD CAPITAL SERVICES PVT. LTD.	388920	1.599	0	388920	1.599	0	0.000
7	LEELABAI KISHORE KHATAU	80883	0.333	0	80883	0.333	0	0.000
8	ASHA MARINE PRODUCTS PVT. LTD.	52700	0.217	0	52700	0.217	0	0.000
9	ASHA MAHENDRA KHATAU	45243	0.186	0	45243	0.186	0	0.000
10	ANIL KISHORE KHATAU	42393	0.174	0	42393	0.174	0	0.000
11	PRIYA MAHENDRA KHATAU	38920	0.160	0	38920	0.160	0	0.000

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% changes in share holding during the year
		No. of Shares	% of total Shares of the Company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares Pledged / encumbered to total shares	
12	MANISH MAHENDRA KHATAU	35592	0.146	0	35592	0.146	0	0.000
13	PRISM PLANTATIONS PVT. LTD.	20737	0.085	0	20737	0.085	0	0.000
14	NEOMY ANIL KHATAU	12500	0.051	0	12500	0.051	0	0.000
15	ILESHAANIL KHATAU	5250	0.022	0	5250	0.022	0	0.000
16	SHREYA S. SINGHANIA	5000	0.021	0	5000	0.021	0	0.000

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

Sr. No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the Year			% of total Shares of the Company
		No. of Shares at the beginning /end of the Year	% of the Shares of the Company	Date	Increasing / Decreasing in shareholding	Reason	No. Of shares	
1	MAHENDRA KISHORE KHATAU	1636866	6.729	01-04-2018				
				19-10-2018	100	Buy	1636966	6.729
				30-11-2018	100	Buy	1637066	6.730
	-Closing Balance			31-03-2019			1637066	6.730

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

Sr. No	Name	No. of Shares at the beginning / end of the Year	% of the Shares of the Company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	% of total Shares of the Company
1	SUBRAMANIAN P	502360	2.065	01-04-2018				
	-Closing Balance			31-03-2019		No Change	502360	2.065
2	NAVJEEVAN EQUITY BROKING PVT. LTD.	26000	0.107	01-04-2018				
				08-06-2018	100	Buy	26100	0.107
				06-07-2018	1000	Buy	27100	0.111
				13-07-2018	2900	Buy	30000	0.123
				20-07-2018	2000	Buy	32000	0.132
				27-07-2018	12000	Buy	44000	0.181
				03-08-2018	1000	Buy	45000	0.185
				10-08-2018	-564	Sold	44436	0.183
				17-08-2018	564	Buy	45000	0.185
				24-08-2018	12000	Buy	57000	0.234
				31-08-2018	1000	Buy	58000	0.238
				07-09-2018	4000	Buy	62000	0.255
				14-09-2018	-1700	Sold	60300	0.248
				21-09-2018	1470	Buy	61770	0.254
				28-09-2018	19730	Buy	81500	0.335
				05-10-2018	1000	Buy	82500	0.339
				02-11-2018	700	Buy	83200	0.342
				09-11-2018	2300	Buy	85500	0.351
				16-11-2018	200	Buy	85700	0.352
				23-11-2018	400	Buy	86100	0.354

Sr. No	Name	No. of Shares at the beginning / end of the Year	% of the Shares of the Company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	% of total Shares of the Company
				30-11-2018	100	Buy	86200	0.354
				07-12-2018	37101	Buy	123301	0.507
				14-12-2018	1474	Buy	124775	0.513
				21-12-2018	12582	Buy	137357	0.565
				28-12-2018	-1957	Sold	135400	0.557
				31-12-2018	349	Buy	135749	0.558
				04-01-2019	-2550	Sold	133199	0.548
				11-01-2019	3083	Buy	136282	0.560
				18-01-2019	190	Buy	136472	0.561
				25-01-2019	-16049	Sold	120423	0.495
				01-02-2019	-151	Sold	120272	0.494
				15-02-2019	2803	Buy	123075	0.506
				22-02-2019	-206	Sold	122869	0.505
				01-03-2019	931	Buy	123800	0.509
				08-03-2019	500	Buy	124300	0.511
				15-03-2019	138	Buy	124438	0.512
				22-03-2019	1263	Buy	125701	0.517
				29-03-2019	199	Buy	125900	0.518
	-Closing Balance			31-03-2019			125900	0.518
3	VIJAY KUMAR JAIN	102000	0.419	01-04-2018				
				13-04-2018	1000	Buy	103000	0.423
				28-09-2018	396	Buy	103396	0.425
				02-11-2018	604	Buy	104000	0.428
				25-01-2019	10000	Buy	114000	0.469
				29-03-2019	5000	Buy	119000	0.489
	-Closing Balance			31-03-2019			119000	0.489
4	TANVI JIGNESH MEHTA	90354	0.371	01-04-2018				
				20-07-2018	-5000	Sold	85354	0.351
				14-09-2018	4000	Buy	89354	0.367
				21-09-2018	5	Buy	89359	0.367
				16-11-2018	-1700	Sold	87659	0.360
				07-12-2018	-20000	Sold	67659	0.278
				11-01-2019	-5000	Sold	62659	0.258
	-Closing Balance			31-03-2019			62659	0.258
5	YOGESH LAXMIDAS BHATIA	60200	0.247	01-04-2018				
	-Closing Balance			31-03-2019		No Change	60200	0.247
6	MAHENDRA GIRDHARILAL	58151	0.239	01-04-2018				
	-Closing Balance			31-03-2019		No Change	58151	0.239
7	MURLI N. BAHETI	42000	0.173	01-04-2018				
				06-04-2018	-500	Sold	41500	0.171
				13-04-2018	500	Buy	42000	0.173
	-Closing Balance			31-03-2019			42000	0.173

Sr. No	Name	No. of Shares at the beginning / end of the Year	% of the Shares of the Company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	% of total Shares of the Company
8	SATISH JAGDISH DOSHI	40200	0.165	01-04-2018				
	-Closing Balance			31-03-2019		No Change	40200	0.165
9	SALOMI SUSHIL SHAH	35000	0.144	01-04-2018				
	-Closing Balance			31-03-2019		No Change	35000	0.144
10	SANTOSH MURARILAL GUPTA	51000	0.210	01-04-2018				
				06-07-2018	-5823	Sold	45177	0.186
				13-07-2018	-2000	Sold	43177	0.177
				20-07-2018	-177	Sold	43000	0.177
				03-08-2018	-1500	Sold	41500	0.171
				17-08-2018	-1000	Sold	40500	0.166
				14-09-2018	-3000	Sold	37500	0.154
				21-09-2018	-1500	Sold	36000	0.148
				26-10-2018	-514	Sold	35486	0.146
				02-11-2018	-1350	Sold	34136	0.140
				16-11-2018	-500	Sold	33636	0.138
				07-12-2018	-1036	Sold	32600	0.134
				25-01-2019	-44	Sold	32556	0.134
				01-02-2019	-925	Sold	31631	0.130
				08-02-2019	-1000	Sold	30631	0.126
	-Closing Balance			31-03-2019			30631	0.126
11	DATTA SATISH DOSHI	80000	0.329	01-04-2018				
				13-04-2018	-5000	Sold	75000	0.308
				04-05-2018	-3700	Sold	71300	0.293
				11-05-2018	-900	Sold	70400	0.289
				15-06-2018	-5370	Sold	65030	0.267
				22-06-2018	-2030	Sold	63000	0.259
				27-07-2018	-4301	Sold	58699	0.241
				03-08-2018	-1940	Sold	56759	0.233
				24-08-2018	-14808	Sold	41951	0.172
				31-08-2018	-1951	Sold	40000	0.164
				07-09-2018	-3335	Sold	36665	0.151
				14-09-2018	-10000	Sold	26665	0.110
				21-09-2018	-16665	Sold	10000	0.041
				16-11-2018	-314	Sold	9686	0.040
				18-01-2019	-747	Sold	8939	0.037
				15-02-2019	-1615	Sold	7324	0.030
				22-02-2019	-2383	Sold	4941	0.020
				01-03-2019	-3712	Sold	1229	0.005
				08-03-2019	-1229	Sold	0	0.000
	-Closing Balance			31-03-2019			0	0.000

Sr. No	Name	No. of Shares at the beginning / end of the Year	% of the Shares of the Company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	% of total Shares of the Company
12	LSC SECURITIES LIMITED	72532	0.298	01-04-2018				
				04-04-2018	-72532	Sold	0	0.000
	-Closing Balance			31-03-2019			0	0.000
13	HINDUSTAN TRADECOM PRIVATE LIMITED	50250	0.207	01-04-2018				
				15-06-2018	-41000	Sold	9250	0.038
				22-06-2018	-500	Sold	8750	0.036
				03-08-2018	1000	Buy	9750	0.040
				21-09-2018	7700	Buy	17450	0.072
				28-09-2018	-13847	Sold	3603	0.015
				26-10-2018	-3603	Sold	0	0.000
	-Closing Balance			31-03-2019			0	0.000

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Shareholding at the beginning of the year			Increase / Decrease in shareholding	Reason	Cumulative Shareholding at the end of the year	
		No. of Shares at the beginning (01.04.2018 / end of the year 31.03.2019)	% of the Shares of the Company	Date of Debit / Credit			No. of shares	% of total Shares of the Company
1	Mr. Mahendra K. Khatau- Chairman and Managing Director							
		1636866	6.729	01-04-2018				
				19-10-2018	100	Buy	1636966	6.729
				30-11-2018	100	Buy	1637066	6.730
	-Closing Balance			31-03-2019			1637066	6.730
2	Mr. Manish M. Khatau- Whole-time Director							
		35592	0.146	No change during the year			35592	0.133
3	Asha M. Khatau- Non-executive Director							
		45243	0.186	No change during the year			45243	0.186
4	Mr. Bhalchandra Sontakke- Non-executive Independent Director							
		100	0	No change during the year			100	0
5	Mr. Kailash Pershad- Non-executive Independent Director							
		0	0	No change during the year			0	0
6	Mr. Rajagopalan Sessa- Non-executive Independent Director							
		0	0	No change during the year			0	0
7	Ms. Rupal B. Parikh - Chief Financial Officer							
		7190	0.029	No change during the year			7190	0.029
8	Mr. Rajesh D. Pisal- Company Secretary							
		0	0	No change during the year			0	0

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,73,89,793	2,47,56,025	2,06,63,415	6,28,09,233
ii) Interest due but not paid	0	5,34,236	0	5,34,236
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	1,73,89,793	2,52,90,261	2,06,63,415	6,33,43,469
Change in Indebtedness during the financial year				
• Addition	3,55,69,337	3,48,60,039	53,42,738	7,57,72,114
• Reduction	1,31,53,742	3,31,01,659	47,49,801	5,10,05,202
Net Change	2,24,15,595	17,58,380	5,92,937	2,47,66,912
Indebtedness at the end of the financial year				
i) Principal Amount	3,97,07,742	2,64,75,398	2,12,56,352	8,74,39,492
ii) Interest due but not paid	0	5,73,243	0	5,73,243
iii) Interest accrued but not due	97,646	0	0	97,646
Total (i+ii+iii)	3,98,05,388	2,70,48,641	2,12,56,352	8,81,10,381

F. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:
A. (i) Remuneration to Managing Director, Whole-time Directors and / or Manager:
(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total
	Name	Mr. Mahendra Kishore Khatau (01.04.2018 - 31.03.2019)	
	Designation	Chairman & Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	64,68,897	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,19,600	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	66,88,497
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	66,88,497	66,88,497
	Ceiling as per the Act	As per Companies Act, 2013	

*The above figure do not include provision for encashment leave, gratuity and premium paid for the group health

insurance/ mediclaim.

A. (ii) Remuneration to Managing Director, Whole-time Directors and / or Manager:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total
	Name	Mr. Manish Mahendra Khatau (01.04.2018 - 31.03.2019)	
	Designation	Whole-time Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	28,71,120	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	29,10,720
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	29,10,720	29,10,720
	Ceiling as per the Act	As per Companies Act, 2013	

B. Remuneration to other Directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors Manager	Total
(A) Independent Directors			
1	Name	Mr. Kailash Pershad	
	• Fee for attending Board / Committee meetings	47,500	
	• Commission	-	
	• Others, please specify	-	
	Sub Total	47,500	47,500
2	Name	Mr. Bhalachandra. G. Sontakke	
	• Fee for attending Board / Committee meetings	40,000	
	• Commission	-	
	• Others, please specify	-	
	Sub Total	40,000	40,000
3	Name	Mr. Rajagopalan Sesha	
	• Fee for attending Board / Committee meetings	47,500	
	• Commission	-	
	• Others, please specify	-	
	Sub Total	47,500	47,500
	Total (A)	1,35,000	1,35,000
(B) Other Non-executive Directors			
			(Amount in Rs.)
1	Name	Mrs. Asha M. Khatau	
	• Fee for attending Board / Committee meetings	27,500	
	• Commission	-	
	• Others, please specify	-	
	Sub Total	27,500	27,500
	Total (B)	27,500	27,500
	Total (C)=(A+B) Total Managerial Remuneration	1,62,500	1,62,500
	Overall Ceiling as per the Act	As per Companies Act, 2013	

(C) (i) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD:

Sr No.	Particulars of Remuneration	Key Manegerial Personnel		
		Rupal B. Parikh Chief Financial Officer (01.04.2018 - 31.03.2019)	Rajesh D. Pisal Company Secretary (01.04.2018 - 31.03.2019)	Total Amount (in Rs.)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,08,004	11,89,712	27,97,716
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	16,08,004	11,89,712	27,97,716
	Overall Ceiling as per the Act	As per Company's Policy		

G. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Authority [RD / NCLT / COURT]
No instances of Penalties / Punishments / Compounding of Offence or other Officers in default.					

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF COMPANY:-

Indokem Limited is one of the leading manufacturing Company of Textiles Dyes and Chemicals and Exporter of related products. The manufacturing Index of the Company remained broadly positive temporary weakness due to reduction in demand on account of slow down in global economic activities during the F. Y. 2018-19. In spite of this, the Company has kept pace with the changes and there is tremendous growth in future.

- We are glad to inform that during the F. Y. 2018-19, your Company achieved a turnover of Rs.79.40 Crores, which is comparatively similar to last year, despite global slowdown.
- In this year, Company has successfully registered itself under Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 as a Small Enterprise which may boost our credit collection in near future.
- Company has also invested and successfully shifted data to new HANA server for its SAP System. IT system and infrastructure is being continuously monitored and enhanced with any required upgrades.
- Our major product has received Global Organic Textile Standard (GOTS) certification. GOTS is the worldwide leading textile processing standard for organic fibers, including ecological and social criteria, backed up by independent certification of the entire textile supply chain.
- Customers have shown great trust in our Reactive Dyes range of products and now we are focusing on Pigment Emulsions range for which there is less competition.
- Company is continuously investing in Quality Control machinery in Laboratory and has qualified staff to meet global standards.
- Company is regularly investing in new and attractive Packing Material for the products which has shown better effects.
- Company is continuously investing in the registration and renewal of Trademarks to safeguard Intellectual Property Rights.
- New Corporate clients have shown faith in our products since last couple of years.

OVERVIEW OF ECONOMY, INDUSTRY STRUCTURE AND DEVELOPMENTS:

Global economic activity slowed during 2018. Global output is estimated to have grown by 3.6% in 2018, which is 0.3% lower than estimated earlier and 0.1% lower than in 2017. The slowdown reflected the impact of multiple factors like decline in the growth of China followed by regulatory measures, strict credit policies, and slowdown in Euro economy more than expected. Global growth forecasts for 2019 and 2020 have been estimated 3.3% and 3.6% respectively. The revision reflects lower than expected growth and the expected impact of the macroeconomic topics mentioned above along with concern over increase in trade tensions between U.S. and China. Within this scenario, the Indian economy continued to be one of the fastest growing major economies with the IMF estimating that the country would grow at 7.3% in 2019 and 7.5% in 2020.

The Textile Dyes market (Direct, Reactive, VAT, Basic, Acid, and Disperse) is projected to reach USD 10.9 billion by 2024 at a Compounding Annual Growth Rate (CAGR) of 5.9% during the forecast period. Low-cost of manufacturing in counties in Asia Pacific (APAC) such as China and high demand for textile dyes in APAC are the key factors driving the demand for textile dyes.

The global Textile Dyes market is majorly segmented on the basis of types, application, fibers, and region. Based on types textile dyes market is segmented as Direct dyes, Acid dyes, Basic dyes, Fiber-reactive dyes, Vat dyes, Mordant dyes, Solvent dyes, Disperse dyes, and others (Sulphur dyes, Azoic colors etc). Based on application, of textile dyes the market is segmented into yarn dyeing, garment dyeing. Based on fiber the market segmented into cotton, wool, silk, nylon, viscose, and others (acrylic, jute etc.) and based on region market is segmented into North America, Europe, APAC, Latin America, Middle East & Africa.

With economic contraction and saturation in Europe and North America, textile manufacturers are shifting their production base to APAC. China is one of the leading producers and consumers of textile dyes in the region. The strengthening economy of countries such as China and India is attracting new investments in APAC. In addition, the growing demand and policies regarding the use of environment-friendly and low-VOC products have led to

innovation in the APAC textile dyes market.

Globally the textile dyes industry has witnessed an impressive growth. Initially the industry's production establishments were mostly in the west, but in the last few years, they have been shifting to the East. The size of the World's Dyestuff industry is estimated at US\$ 5.6 bn. and is growing at about 3.5%. China is the largest manufacturer of dyes, followed by India. The world market for high performance pigments is estimated at US\$ 4.7 bn. and is growing at about 3.8%.

Several industries within the manufacturing sector witnessed negative growth. The chemical industry also was no exception and growth was adversely impacted during the financial year. The outlook for the financial year 2019 - 20, continues to be challenging as availability of inputs and rise in the crude oil prices can pose challenges for the industry.

Due to increasing environmental consciousness in China and after the REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulation and stringent effluent discharge norms, costs of handling effluents have increased. As a result, a large number of Companies have begun to relocate their operations to India.

OPPORTUNITIES AND CHALLENGES:

- The world market for textiles is growing and, therefore, the demand for dyes will continue to grow in future.
- Pollution and effluent problems have become the single biggest factor in restricting the growth of the textiles dyes industry in the developed nations. Tighter rules and regulations, strict laws and high standard for treatment of the effluents have forced these countries to look for better opportunities without sacrificing their interest. If India has to capitalize on these opportunities, then there seems to be no harm in encouraging this industry in the country provided proper measures are taken for effluent treatment.
- Shutdown of capacities in China due to the environmental issues is likely to continue in the near term. Most of the raw material for textile dye stuffs is coming from China; due to the ongoing strict environment standards in place; there is an acute shortage of raw material, leading to huge increase in prices. Main products affected are VAT dyes, Disperse dyes, Direct dyes, Pigment emulsions and Reactive dyes etc
- As per 13th five year plan (2016-20) of Government of China, higher environment standards have been made top priority wherein they will expand environmental inspections to more cities and regions in a fresh round of checks as part of a three year anti-pollution plan. The regulations have had an adverse effect on the availability of raw material for the industry. This has raised major concerns for us and impacted the rate of most of the products which has gone up steeply, mainly due to production disruptions as a result of the environment controls. Cost of few of the raw material used in manufacturing of VAT, Pigment, Disperse and Basic Dyes have gone up abnormally. Another main reason for severe impact on profits was reduction in gross margin due to increase in raw material input costs which could not be passed on to the customers.
- This increase in prices and shortage of raw material is impacting production and thereby leading to abnormal increase in prices and disruption in raw material supply of VAT, Pigment and Disperse Dyes which viciously again leads to increase in prices and shortage of raw materials. Fluctuations in foreign exchange and availability of raw materials may impact sales realizations.

FUTURE OUTLOOK:

The Company is in the business of Dyes, Auxiliaries & Sizing Chemicals for the Textile Industry. The market has been witnessing accelerated demand for Indian Products having an edge over those of China on account of various socio-economic and environmental factors. Many multinational and Chinese chemical companies are trying to collaborate with Indian manufacturers and now India is a major manufacturer and supplier of textile dyes and chemicals. During the year under review, the Company faced turbulence in the market and the same has been reflected in the results of the Company. The Company is taking all corrective measures to strengthen itself against the volatility and we hope that our commitment will continue to drive the Company, as we move forward.

RISKS AND CONCERNS:

- Chemicals industry is a highly regulated industry with stringent environmental norms. Any change in policy by the Government may have an adverse impact on the performance of the Industry. However, Indokem Limited follows best in class process controls and systems, and hence we are always ready to adapt to any changes in the Government Regulations.

- Shutdown of capacities in China due to environmental issues leads to increase in price of input materials, which impacts Company's profitability to the extent that the same are not absorbed by the market through price increases and / or could have a negative impact on the demand in the market. The Company has started concentrating on supply chain Management system with focus on inventory Management to mitigate impact of fluctuation in the raw material prices.
- In F. Y. 2018-19, huge fluctuation in the foreign exchange rates had an adverse impact on the Company's import and export transactions which finally impacted financials of the Company. In the month of October, 2018, exchange rate of US \$ against Indian Rupee was Rs.74.33 which has Rs.69.65 today. Further rise in the crude oil prices has weakened Indian Rupee due to increase in import costs.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. In order to supplement the internal control process, the Company has appointed an Internal Auditor who is authorised by the Audit Committee to assess the adequacy and compliance of internal control process and provide their report covering observations and recommendations. Based on the report of internal audit function, the Company undertakes corrective actions in their respective areas and thereby strengthens the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

QUALITY MANAGEMENT SYSTEM:

Your Company maintains its quality systems from lower level Management to higher level Management by imparting ethical standards in its approach and behavior and implementing the same in day to day business practices. The Company is complying with ISO certification for its manufacturing units.

HUMAN RESOURCE MANAGEMENT:

Your Company has maintained good and cordial relations with all employees and continues to invest in the training and development of all. The Board gives guidance to the Management ensuring that the implications of safety and sustainability are addressed properly in all the strategic initiatives. Company considers its committed and talented workforce as one of its most critical assets and key to driving sustainable performance, growth and developing competitive advantage. The number of employees increased by 2 from 101 as on 31st March, 2018 to 103 as on 31st March, 2019.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or forecast may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in Government regulations, tax laws, economic developments with the country and other factors such as litigations and industrial relations.

CONCLUSION:

Your Company expects turn-around in its performance in coming year on account of several initiatives taken by the Company in improving plant efficiency, new product developments and focus on Research and Development. We have come a long way from where we had begun and we continue to set new benchmarks for ourselves in order to constantly improve our performance. To summarise, your Company is optimistic for the growth in the medium term in revenues as well as operating margins.

For and on behalf of the Company

Place: Mumbai
Date: 12th August, 2019

Sd/-
Mahendra K. Khatau
Chairman & Managing Director
DIN: 00062794

CORPORATE GOVERNANCE REPORT**COMPLIANCE REPORT FOR THE FINANCIAL YEAR 2018-19:**

The Company is committed towards following the best governance practices and maintaining a culture within the organization which promotes an overall development and not just a materialistic approach. This report is prepared in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 'SEBI Listing Regulations, 2015', and the Company has complied with the spirit of the Regulations:

I. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY:

The Company continues to lay great importance on the adoption of best compliance practices and maintenance of transparency at all levels of the hierarchy. At Indokem Limited, it is imperative that the Company affairs are managed in a fair and transparent manner.

We, at Indokem, ensure that we evolve and follow the Corporate Governance guidelines and best practices. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the leadership and governance of the Company.

II. BOARD OF DIRECTORS:

- i. As on 31st March, 2019, the Company has six Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations, 2015 read with Section 149 of the Companies Act, 2013.
- ii. None of the Directors on the Board holds Directorship in more than ten Public Companies. Further none of them is a member in more than ten Committees or Chairman of more than five Committees across all the Public Companies in which he is a Director. Necessary disclosures regarding Committee positions in other Public Companies as on 31st March, 2019 have been made by the Directors. None of the Directors are related to each other except Mr. Mahendra K. Khatau, Mrs. Asha M. Khatau and Mr. Manish M. Khatau.
- iii. Independent Directors are Non-executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations, 2015 read with Section 149 (6) of the Companies Act, 2013. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations, 2015 read with Section 149 (6) of the Companies Act, 2013.
- iv. Four Board Meetings were held during the financial year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held: 09th May, 2018, 14th August, 2018, 14th November, 2018 and 14th February, 2019.
- v. The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.
- vi. During the Audit and Board Meetings, the Chairman and Company Secretary give extensive briefings to the Board members on the business of the Company and on various financial, legal & compliance issues.
- vii. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and the number of Directorship and Committee Chairmanships/ Memberships held by them in other Public Limited Companies as on 31st March, 2019 are given herein below:

Name and Category of the Director		Attendance particulars		Number of Directorship(s) held in Indian public limited Companies (including Indokem Ltd.)	Committee(s) position (including Indokem Ltd.)	
		Board Meeting	Last AGM		M	C
1	Mr. Mahendra K. Khatau Chairman & Managing Director – Promoter	4	Yes	3	1	3+2
2	Mr. Manish M. Khatau Whole-time Director – Promoter	4	Yes	1	3	-
3	Mrs. Asha M. Khatau Non-executive Director – Promoter	4	Yes	3	2+2	0+2
4	Mr. Kailash Pershad Non-executive Independent Director	3	Yes	2	2	1
5	Mr. Rajagopalan Sessa Non-executive Independent Director	3	No	2	3+2	-
6	Mr. Bhalchandra Sontakke Non-executive Independent Director	3	Yes	2	3+2	1+2

* Excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.

viii. Details of Equity Shares of the Company held by Non-executive Directors as on 31st March, 2019 are given below:

Name of the Directors	Category	Number of equity shares
Mrs. Asha M. Khatau	Non-executive Director	45,243
Mr. Kailash Pershad	Non-executive Independent Director	NIL
Mr. S. Rajagopalan	Non-executive Independent Director	NIL
Mr. Bhalchandra Sontakke	Non-executive Independent Director	100

The Company has not issued any convertible instruments to any of the Non-executive Directors.

Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting:

Mrs. Asha Mahendra Khatau (DIN: 00063944), Non-executive Director is liable to retire by rotation at the ensuing AGM and being eligible offers herself for re-appointment.

Profile of Mrs. Asha Mahendra Khatau as required under Regulation 36(3) of the SEBI Listing Regulations, 2015 and Companies Act, 2013 is given as Annexure to the Notice of the AGM to be held on 30th September, 2019.

Mr. Mahendra K. Khatau (DIN: 00062794), Chairman and Managing Director of the Company, whose term expires on 31st of March, 2020 and who is eligible for re-appointment, as a Managing Director of the Company and to hold office for another term of five consecutive years with effect from 1st April, 2020 upto 31st March, 2025.

Profile of Mr. Mahendra K. Khatau as required under Regulation 36(3) of the SEBI Listing Regulations, 2015 and Companies Act, 2013 is given as Annexure to the Notice of the AGM to be held on 30th September, 2019.

III. COMMITTEES OF THE BOARD:

There are six Board Committees which comprise of four Statutory Committees and two other Committees that have been formed considering the needs of the Company and best practices in Corporate Governance as on 31st March, 2019 which are as follows:

1. AUDIT COMMITTEE:

The terms of reference, category and composition of the Committee and meetings and attendance details of the members are given below:

Extract of terms of reference	Category and Composition		No. of meetings attended
	Name	Category	
<p>The Audit Committee of the Board is constituted in line with the provisions of Regulation 17 of SEBI Listing Regulations, 2015 and Section 177 of the Companies Act, 2013.</p> <ul style="list-style-type: none"> ➤ Oversights of financial reporting process. ➤ Review the audit of Company's financial statements. ➤ Evaluation of internal financial controls and risk Management systems. ➤ Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company. ➤ The Company's risk Management policies. ➤ To review and monitor the functioning of Vigil Mechanism and actions taken in respect thereof. 	Mr. Kailash Pershad	Chairman (Non-executive / Independent Director)	3
	Mr. Rajagopalan Sessa	Member (Non-executive / Independent Director)	3
	Mr. Bhalchandra Sontakke	Member (Non-executive / Independent Director)	3
	Mr. Mahendra K. Khatau	Member (Chairman & Managing Director)	4

The Company Secretary acts as the Secretary to the Committee.

No. of meetings held: Four meetings of Audit Committee of the Board of Directors were held during the financial year ended 31st March, 2019.

Dates: 09th May, 2018, 14th August, 2018, 14th November, 2018 and 14th February, 2019.

2. NOMINATION AND REMUNERATION COMMITTEE:

In compliance with the provisions of Regulation 19 of the SEBI Listing Regulations, 2015 and Section 178 of the Companies Act, 2013 the Company has adopted a policy which deals with the manner of Nomination, Remuneration and Evaluation of the Board of Directors, Key Managerial Personnel and employees in Senior Management. The policy has been posted on the Company's website at www.indokem.co.in.

The terms of reference, category and composition of the Committee and meetings and attendance details of the members are given below:

Extract of terms of reference	Category and Composition		No. of meetings attended
	Name	Category	
The Nomination & Remuneration Committee of the Board is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, 2015 and Section 178 of the Act. <ul style="list-style-type: none"> ➤ Recommend to the Board the setup and composition of the Board and its Committees. ➤ Recommend to the Board the appointment / re-appointment of Directors and Key Managerial Personnel. ➤ Recommend to the Board the Remuneration Policy for Directors, Executives, Key Managerial Personnel and senior Management employees. ➤ Oversee familiarization programmes for the Directors. 	Mr. B. G. Sontakke	Chairman (Non-executive / Independent)	-
	Mr. Kailash Pershad	Member (Non-executive / Independent)	1
	Mr. Rajagopalan Sessa	Member (Non-executive / Independent)	1

No. of meetings held: One meeting of Nomination and Remuneration Committee of the Board of Directors was held on 14th August, 2018 during the financial year ended 31st March, 2019.

POLICY ON NOMINATION, REMUNERATION AND EVALUATION:

A. Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015 the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Audit Committee and Nomination and Remuneration Committee. A structured questionnaire was prepared, after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligation and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

B. Familiarization Program For Independent Directors:

In compliance with Regulation 25 (7) of SEBI Listing Regulations, 2015 and Schedule IV of Companies Act, 2013, the Board of Directors has approved a Policy "Familiarization Program for Independent Directors". The Policy has been posted on the website of the Company at www.indokem.co.in

In compliance with the provisions of Schedule II (D) of the SEBI Listing Regulations, 2015 and Section 178 of the Companies Act, 2013, the Company has adopted a policy which deals with the manner of Nomination, Remuneration and Evaluation of the Board of Directors, Key Managerial Personnel and employees in Senior Management. The policy has been posted on the website of the Company at www.indokem.co.in

C. Criteria for Appointment of Director, Key Managerial Personnel (KMP) and Senior Management:

- i. Criteria for qualifications, positive attributes and independence of Directors, KMP & Senior Management Personnel.
- ii. Identifying candidates who are qualified to become Directors, KMP & Senior Management Personnel.

C. Remuneration of Directors:
i. Remuneration to Executive Directors:

Remuneration paid to the Executive Directors is recommended by the Nomination and Remuneration Committee, approved by the Board and is subject to the overall limits as approved by the shareholders.

Details of remuneration paid / payable to the Executive Directors for the year ended 31st March, 2019 are given below:

(Amount in Rs.)

Sr. No.	Particulars	Mr. Mahendra K. Khatau (Chairman and Managing Director)	Mr. Manish M. Khatau (Whole-time Director)
1	Salary	3,00,000/-	1,10,000/-
2	House Rent Allowance	1,50,000/-	85,000/-
3	House Maintenance Allowance	80,000/-	74,520/-
4	Reimbursement of Gas Electricity and other utility	15,000/-	NIL
5	Medical Reimbursement	5,000/-	6,000/-
6	Leave Travel Concession	5,000/-	6,000/-
7	Provident Fund	NIL	13,200/-
8	Gratuity @ 4.8 % of basic	14,400/-	5,280/-
	Total	5,69,400/- pm.	3,00,000/- pm.
1	Service Contract	5 Years	5 Years
2	Notice Period	3 months	3 months

Mr. Manish M. Khatau, Whole-time Director has been paid Rs.2,09,600/- p.m. from 1st April, 2018 to 30th September, 2018. Pursuant to resolution passed in the 52nd AGM regarding revision of his Salary he has been paid Rs.3,00,000/- p.m. w.e.f. 1st October, 2018.

ii. Sitting Fees paid to Non-executive Directors and Independent Directors

During the year 2018-19 the Company paid fees of Rs.5,000/- per meeting for the meetings held on 09th May, 2018 and thereafter it was revised to Rs. 7,500/- per meeting to its Non-executive Directors and Independent Directors for attending meetings of Board and meetings of Committees of the Board.

Details of total sitting fees paid / payable to the Non-executive Directors and Independent Directors for the year ended 31st March, 2019 are given below:

(Amount in Rs.)

Name of Director	Sitting Fees Paid		
	Board Meeting	Audit Committee Meeting	Nomination and Remuneration Committee
Non-executive Director			
Mrs. Asha M. Khatau	27,500	-	-
Non-executive Independent Directors			
Mr. Kailash Pershad	20,000	20,000	7,500
Mr. Rajagopalan Sessa	20,000	20,000	7,500
Mr. Bhalchandra Sontakke	20,000	20,000	-

Note: None of the Non-executive Directors have any pecuniary relationship or transaction vis-à-vis the Company. Mr. Mahendra K. Khatau and Mrs. Asha M. Khatau are related to each other as husband and wife and Mrs. Asha M. Khatau and Mr. Manish M. Khatau are related to each other as mother and son.

The Non-executive Directors do not get any Remuneration from the Company except the sitting fees as approved by the Board from time to time. All Independent Directors are experts in their respective fields and their services are beneficial to the Company.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The terms of reference, category and composition of the Committee and meetings and attendance details of the members are given below:

Extract of terms of reference	Category and Composition		No. of meetings attended
	Name	Category	
The Stakeholders Relationship Committee of the Board is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations, 2015 and Section 178 of the Companies Act, 2013. > Consider and resolve the grievances of security holders. > Consider and approve issue of share certificates, transfer and transmission of securities, etc.	Mr. Bhalchandra Sontakke	Chairman (Non-executive / Independent)	3
	Mr. Kailash Pershad	Member (Non-executive / Independent)	3
	Mr. Rajagopalan Sesha	Member (Non-executive / Independent)	3

The Company Secretary acts as the Secretary to the Committee.

No. of meetings held: Four meetings of Stakeholders Relationship Committee of the Board of Directors were held during the financial year ended 31st March, 2019.

Dates: 09th May, 2018, 14th August, 2018, 14th November, 2018 and 14th February, 2019.

A. Name, designation and address of Compliance Officer:

Mr. Rajesh D. Pisal

Dy. G. M. Legal & Company Secretary

Indokem Limited

Plot No. 410 / 411, Khatau House, Mogul Lane, Mahim (West), Mumbai - 400 016.

Telephone: 91 22 6123 6711 Email: iklsecretarial@gmail.com

B. Details of investors complaints received during the year 201819 are as follows:

No. of complaints received at the beginning of the year	00
No. of complaints received during the year	16
No. of complaints resolved during the year	13
No. of complaints pending at the end of the year	03

Although, the pending complaints were duly resolved within stipulated time limits.

4. RISK MANAGEMENT COMMITTEE:

The terms of reference, category and composition of the Committee and meetings and attendance details of the members are given below:

Extract of terms of reference	Category and Composition		No. of meetings attended
	Name	Category	
The Risk Management Committee of the Board is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations, 2015. > Frame implement and monitor the risk Management plan for the Company.	Mr. Mahendra K. Khatau	Chairman (Chairman & Managing Director)	-
	Mr. Manish M. Khatau	Member (Whole-time Director)	-
	Mrs. Asha M. Khatau	Member (Non-executive Director)	-

No. of meetings held: NIL

5. SHARE TRANSFER COMMITTEE:

The terms of reference, category and composition of the Committee and meetings and attendance details of the members are given below:

Extract of terms of reference	Category and Composition		No. of meetings attended
	Name	Category	
<ul style="list-style-type: none"> ➤ The Committee looks into the issues relating to Shareholders, including transfer, transmission and transposition of shares, issue of duplicate share certificates and other related matters. ➤ The Committee meets to approve the share transfers and transmissions from time to time in accordance with request received from our members with the help of our Registrar and Share Transfer Agent (RTA), Sharex Dynamic (India) Private Limited 	Mr. Mahendra K. Khatau	Chairman (Chairman & Managing Director)	54
	Mr. Manish M. Khatau	Member (Whole-time Director)	54
	Mr. Bhalchandra Sontakke	Member (Non-executive / Independent)	47

No. of meetings held: Fifty Four meetings of Share Transfer Committee of the Board of Directors were held during the financial year ended 31st March, 2019.

Dates: 05th April, 2018, 10th April, 2018, 23rd April, 2018, 30th April, 2018, 23rd April, 2018, 30th April, 2018, 03rd May, 2018, 10th May, 2018, 18th May, 2018, 21st May, 2018, 29th June, 2018, 30th July, 2018, 07th August, 2018, 20th August, 2018, 23rd August, 2018, 28th August, 2018, 07th September, 2018, 10th September, 2018, 14th September, 2018, 27th September, 2018, 05th October, 2018, 08th October, 2018, 10th October, 2018, 19th October, 2018, 23rd October, 2018, 26th October, 2018, 30th October, 2018, 30th October, 2018, 09th November, 2018, 12th November, 2018, 15th November, 2018, 19th November, 2018, 22nd November, 2018, 29th November, 2018, 30th November, 2018, 20th December, 2018, 27th December, 2018, 03rd January, 2019, 11th January, 2019, 15th January, 2019, 18th January, 2019, 21st January, 2019, 25th January, 2019, 28th January, 2019, 1st February, 2019, 04th February, 2019, 07th February, 2019, 11th February, 2019, 14th February, 2019, 25th February, 2019, 01st March, 2019, 07th March, 2019, 14th March, 2019 and 22nd March, 2019.

6. COMMITTEE OF BOARD OF DIRECTORS:

The terms of reference, category and composition of the Committee and meetings and attendance details of the members are given below:

Extract of terms of reference	Category and Composition		No. of meetings attended
	Name	Category	
The Committee of Board of Directors is constituted to look after such matters as may be delegated by the Board from time to time.	Mr. Mahendra K. Khatau	Chairman (Chairman & Managing Director)	09
	Mr. Manish M. Khatau	Member (Whole-time Director)	09
	Mrs. Asha M. Khatau	Member (Non-executive Director)	09

No. of meetings held: Nine meetings of Committee of the Directors were held during the financial year ended 31st March, 2019.

Dates: 26th April, 2018, 10th May, 2018, 14th June, 2018, 30th August, 2018, 19th October, 2018, 13th November, 2018, 18th January, 2019, 06th March, 2019, 15th March, 2019.

IV. GENERAL BODY MEETINGS:
A. Details of Annual General Meetings held during the preceding 3 years and Special Resolution passed thereat is given below:

52nd Annual General Meeting
Date and Time: 28 th September, 2018 at 3:00 P.M.
Venue: Plot No. 410 / 411, Khatau House, Mogul Lane, Mahim (West), Mumbai – 400 016.
Details of Special Resolution passed:
<ol style="list-style-type: none"> 1. Resolution under Section 188 of Companies Act, 2013 for entering into related party transactions. 2. Resolution for re-appointment of Mr. Kailash Pershad, Independent Director of the Company for a second term of 5 consecutive years under the provisions of Section 149, 150, 152 of the Companies Act, 2013 read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, 2015. 3. Resolution for re-appointment of Mr. Bhalchandra Sontakke, Independent Director of the Company for a second term of 5 consecutive years under the provisions of Section 149, 150, 152 of the Companies Act, 2013 read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, 2015. 4. Resolution for re-appointment of Mr. Rajagopalan Sesha, Independent Director of the Company for a second term of 5 consecutive years under the provisions of Section 149, 150, 152 of the Companies Act, 2013 read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, 2015.

51st Annual General Meeting
Date and Time: 29 th September, 2017 at 4:00 P.M.
Venue: City Banquets Hall, 4 th Floor, Ashford Chambers, Citylight Cinema, L.J. Road, Mahim (W), Mumbai – 400 016.
Details of Special Resolution passed:
<ol style="list-style-type: none"> 1. Resolution under Section 188 of Companies Act, 2013 for entering into related party transactions.

50th Annual General Meeting
Date and Time: 30 th September, 2016 at 4:00 P.M.
Venue: Plot No. 410 / 411, Khatau House, Mogul Lane, Mahim (West), Mumbai – 400 016.
Details of Special Resolution passed:
<ol style="list-style-type: none"> 1. Resolution for Appointment of Whole- Time Director of The Company under the provisions of Section 196, 197, 203 of the Companies Act, 2013 read with the Schedule V of the Companies Act, 2013. 2. Resolution under Section 188 of Companies Act, 2013 for entering into related party transactions.

B. Postal Ballot:
1. Resolutions passed through Postal Ballot:

There were no resolutions passed through postal ballot during the financial year ended 31st March, 2019.

2. Whether any special resolution is proposed to be conducted through postal ballot:

No special resolution is proposed to be conducted through postal ballot.

3. Procedure for postal ballot:

No special resolution is proposed through postal ballot; hence the details of procedure are not given.

C. E-voting facility:

E-voting facility was offered to all the members to enable them to cast their votes electronically, instead of dispatching the Ballot Form by post.

V. COMPANY POLICIES:

All the below stated policies are available on the website of the Company at www.indokem.co.in

1. Whistle Blower Policy:

The Company has adopted The Whistle Blower Policy, as part of Vigil Mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management to any issue which is perceived to be in violation of or in conflict. The Whistle Blower Policy aims to encourage all employees to inform the Company regarding any kind of misuse of Company property, misManagement or wrongful conduct prevailing in the Company and no personnel has been denied access thereto. The disclosure would be sent to the Chairman of the Audit Committee / the 'Ombudsman' who would investigate and recommend to the Management of the Company to take such disciplinary or corrective action as may be deemed fit. Proper measures are taken to ensure the confidentiality of the whistle blower.

2. Policy dealing with Related Party Transactions:

The Board of Directors of the Company has adopted the policy and procedures with regard to Related Party Transactions. This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and/ or entered in the ordinary course of business and are at Arm's Length.

3. Policy for preservation of documents:

The Policy for preservation of documents has been framed under Regulation 9 of Chapter III Schedule II (D) of the SEBI Listing Regulations, 2015, The Company is required to preserve documents of the Company. The purpose of this Policy is to ensure that all the necessary documents and records of the Company are adequately protected and preserved as per the statutory requirements and to ensure that the records of the Company which are no longer needed or are of no value are discarded after following the due process for discarding the same. This Policy is also for the purpose of aiding employees of the Company in understanding their obligations in retaining and preserving the documents and records which are required to be maintained as per the applicable statutory and regulatory requirement.

4. Archival Policy For Any Material Event / Information Disclosed To The Stock Exchange:

The Board of Directors of the Company has adopted the following Archival Policy with regard to any Material Events or Information in terms of Regulation 30 of the SEBI Listing Regulations, 2015 which are disclosed to the Stock Exchange in terms of the Company's Policy for Determination of Materiality of any event and information. The purpose of this Policy is to archive any of the material events or information which is disclosed by the Company to the Stock Exchange for a period of five years. Any disclosure of events or information which has been submitted by the Company to the Stock Exchange under Regulation 30 of the SEBI Listing Regulations, 2015 and Policy of the Company (Disclosed Information) will be available on the website of the Company for a period of five years from the date of its disclosure. Disclosed Information which is over five years old will be archived from the Website of the Company. Anyone intending to review this disclosed information may write to the Compliance Officer of the Company.

5. Policy on Prevention of Sexual Harassment at Workplace:

The policy on Prevention of Sexual Harassment at Workplace applies to all categories of employees of the Company, including permanent Management and workmen, temporaries, trainees and employees on contract at their workplace or at client sites. The Company will not tolerate sexual harassment, if engaged in by clients or by suppliers or any other business associates. In conclusion, the Company reiterates its commitment to providing its employees, a workplace free from harassment/ discrimination and where every employee is treated with dignity and respect.

6. Policy For Determination of Materiality:

The Board of Directors of the Company has adopted the following policy and procedures with regard to disclosure of events / information (Material) of the Company. This policy is framed keeping in view the requirement of Regulation 30 of SEBI Listing Regulations, 2015. The Company is required to make disclosures of any events or information which, in the opinion of the Board of Directors of the Listed Company, is material to the Company. The purpose of this Policy is to determine Materiality of Events and Information based on criteria specified under Regulation 30(4)(i) of the SEBI Listing Regulations 2015 and to ensure that the Company shall make disclosure of events / information specified in para A and B of Part A of Schedule III of the SEBI Listing Regulations, 2015 to the Stock Exchange.

7. Prevention of Insider Trading Code:

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a revised Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices. All the Directors, employees and third parties such as auditors, consultants, etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Mr. Rajesh D. Pisal, Company Secretary and Compliance Officer who is responsible for setting forth procedures and implementation of the code for trading in Company's securities.

VI. DISCLOSURES:**1. Related Party Transactions:**

- i. All transactions entered into with Related Parties as defined under Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations, 2015 during the financial year 2018-19 were undertaken in compliance with the aforesaid regulatory provision;
- ii. There were no materially significant transactions with related parties during the financial year 2018-19 which were in conflict with the interest of the Company; the Board has approved a policy for related party transactions which has been uploaded on the website of the Company and can be accessed at www.indokem.co.in
- iii. For related party transactions, refer Note No. 29 of Notes to Accounts annexed to the Financial Statements.

2. Code of Conduct:

The Board of Directors has laid down a Code of Conduct for all Board Members and Members of the Senior Management of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Chairman & Managing Director of the Company has given declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The declaration by the Chairman and Managing Director to that effect forms part of this Report. The said Code is also placed on the website of the Company at www.indokem.co.in.

3. Vigil Mechanism:

The Company has established a Vigil Mechanism which includes Whistle Blower Policy, for its Directors and Employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. The details of establishment of Vigil Mechanism / Whistle Blower Policy are posted on the website of the Company at www.indokem.co.in No Director / Employee has been denied access to the Audit Committee.

VII. DISCLOSURES ON WEBSITE:

Company's official website www.indokem.co.in provides comprehensive information about Company's business. The website has entire section dedicated to Company's profile, its core values, Corporate Governance, etc. which enables shareholders to access information at their convenience.

The Annual Report of the Company, quarterly / half yearly and the annual results and the press release and other documents of the Company are placed on the official website of the Company and the same can be downloaded.

Following information has been disseminated on the Website of the Company.

1. Details of business of Company
2. Terms and Conditions of appointment of Independent Directors
3. Composition of various Committees of Board of Directors
4. Code of conduct for Board of Directors and Senior Management Personnel
5. Details of establishment of Vigil Mechanism / Whistle Blower Policy
6. Policy on dealing with Related Party Transactions
7. Details of Familiarization Programmes imparted to Independent Directors
8. Policy for determining Materiality of Events
9. Policy for Preservation of Documents
10. Prevention of Insider Trading Rules, 2015
11. Code of Practices and Procedures for Fair Disclosure of UPSI
12. Policy on Nomination, Remuneration and Evaluation
13. Board Performance and Evaluation Policy
14. Policy on Prevention of Sexual Harassment at Workplace
15. Archival Policy for any Material Event / Information Disclosed to the Stock Exchange

VIII. COMPLIANCE WITH MANDATORY / NON-MANDATORY REQUIREMENTS:
1. Mandatory Requirements:

The Company has complied with the applicable mandatory requirements of the SEBI Listing Regulations, 2015.

2. Non-mandatory Requirements:
i. The Board:

The Company presently has an Executive Chairman.

ii. Shareholder Rights:

The quarterly / half yearly and yearly financial results were published in one regional language (Marathi) newspaper and one english newspaper. These were not sent individually to the shareholders.

iii. Modified Opinion(s) in audit report:

There is no audit modification in the financial statements of the Company for the financial year ended 31st March, 2019.

iv. Separate post of Chairman and CEO:

The Company has same person as Chairman and Managing Director.

v. Reporting of Internal Auditor:

Internal Auditors are invited to the meetings of the Audit Committee wherein they report directly to the Committee.

IX. MEANS OF COMMUNICATION:

The quarterly, half yearly and annual financial results of the Company are sent out to the BSE Ltd. where the securities of the Company are listed, immediately after they are approved by the Board. The results are thereby published in leading newspapers in India which includes Tarun Bharat (Marathi edition) and Business Standard (English Edition). The results are simultaneously posted on the website of the Company at www.indokem.co.in. The official news releases of the Company are displayed on the website of the Company and on the website of BSE Ltd.

The Company has designated email ID - iksecretarial@gmail.com exclusively for investor servicing and the contact details with respect to Investor Grievance has been provided on the website of the Company at www.indokem.co.in Management Discussion and Analysis Report is a part of the Company's Annual Report.

X. GENERAL SHAREHOLDER INFORMATION:
1. Annual General Meeting for F. Y. 2018-19:

Date	: 30 th September, 2019
Time	: 3:00 P.M.
Venue	: Plot No. 410 / 411, Khatau House, Mogul Lane, Mahim (West), Mumbai – 400 016.

2. Financial Calendar:

Financial Year	1 st April, 2018 to 31 st March, 2019.
Date of AGM:	30 th September, 2019
Date of Book Closure	Tuesday, 24 th September, 2019 to Monday, 30 th September, 2019
Dividend payment Date	The Company has not declared any dividend during last three years.

3. Listing on Stock Exchanges:

The Equity Shares of the Company are listed on BSE Limited
The BSE Limited
25 Floor, P. J. Towers,
Dalal Street, Mumbai – 400 001

4. Stock Code:

BSE Limited: 504092

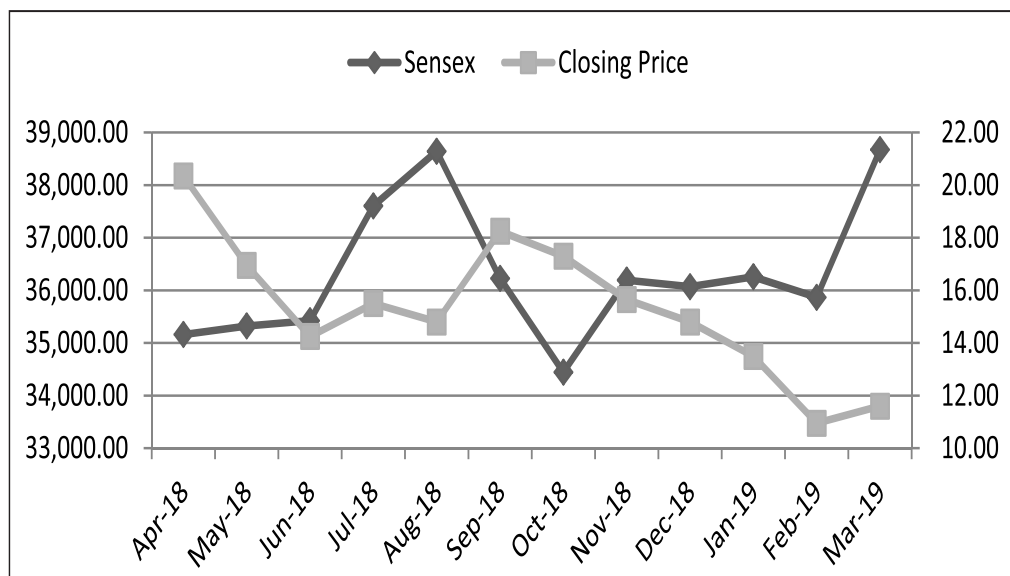
5. ISIN for Equity Shares:

INE716F01012

6. Market Price Data:

Month wise high/low prices during last year at BSE are as under:

Month	High (Rs.)	Low (Rs.)
April, 2018	24.00	18.00
May, 2018	21.20	16.15
June, 2018	18.00	12.90
July, 2018	15.85	11.71
August, 2018	17.60	13.55
September, 2018	24.56	14.00
October, 2018	20.70	14.70
November, 2018	19.05	15.50
December, 2018	16.90	14.50
January, 2019	15.60	13.25
February, 2019	14.68	10.60
March, 2019	15.62	10.92

7. Performance of the share price of the Company in comparison to the BSE Sensex:

8. Registrar and Transfer Agents:

Name and Address: Sharex Dynamic (India) Private Limited
 C-101, 247 Park, L.B.S. Marg,
 Vikhroli (West), Mumbai – 400 072.
 Telephone : 2851 5606 / 2851 5644.
 Email : support@sharexindia.com Website : www.sharexindia.com

9. Address for acceptance of documents:

- i. Share Transmission in Physical Form and other communication in that regard including share certificates and change of address etc., may be addressed to our Registrar and Share Transfer Agents at the address mentioned above.
- ii. Shareholders may also contact Compliance Officer of the Company, Indokem Limited, Plot No. 410 / 411, Khatau House, Mogul Lane, Mahim (West), Mumbai – 400 016.

10. Share Transfer System:

Sharex Dynamic (India) Private Limited, the Registrar and Share Transfer Agents looks after the share transfer. The share transfer instruments, as and when received, are duly processed and shares in respect of valid share transfer instruments are transferred in the names of transferees complying with rules in force.

Securities and Exchange Board of India has barred physical transfer of shares of listed companies effective from April 01, 2019 and mandated the share transfer only through Electronic mode. However the above decision does not prohibit the investor from holding the shares in physical form; investor has the option of holding shares in physical form even after April 01, 2019. Also the Board Decision is not applicable for transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re-arrangement / interchanging of the order of name of shareholders) cases.

The Company obtains half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(10) of the Listing Agreement with Stock Exchanges from a Company Secretary in Practice, and files a copy of the certificate with the Stock Exchanges where Company's shares are listed.

As required by SEBI, a Reconciliation of Share Capital Audit is conducted on a quarterly basis by a Practicing Company Secretary and Certificate issued in this regard is forwarded to the Stock Exchange.

11. Shareholding pattern as on 31st March, 2019:

Sr. No.	Category	No. of Shares held	(%) of Shareholding
1.	Promoters and Promoter group	17253011	70.93
2.	Banks / Financial Institutions and Insurance Cos.	62166	0.26
3.	Private Corporate Bodies	211511	0.87
4.	Indian Public /HUF/Clearing Members	6759749	27.79
5.	NRIs / OCBs / Foreign Nationals	39013	0.16
6.	Others	150	0.00
Total		24325600	100.00

12. Distribution of Shareholding as on 31st March, 2019:

Shares of Nominal Value	No. of Shareholders	(%) of Shareholders	No. of Shares	(%) of Shares
Up to – 5,000	24164	93.86	3035703	12.48
5,001 – 10,000	913	3.55	722962	2.97
10,001 – 20,000	330	1.28	502963	2.07
20,001 – 30,000	116	0.45	291535	1.20
30,001 – 40,000	45	0.18	159299	0.66
40,001 – 50,000	40	0.16	190776	0.78
50,001 – 1,00,000	74	0.29	528763	2.17
100,001 and above	61	0.23	18893599	77.67
Total	25743	100.00	24325600	100.00

13. Dematerialisation of Shares as on 31st March, 2019:

Dematerialised Form	Equity Shares of Rs. 10 each	
	Number of Shares	% of total
NSDL	5999246	24.67%
CDSL	15198146	62.48%
Physical Form	3128208	12.86%
Total	24325600	100.00

14. Company has not issued any GDRs / ADRs / Share Warrants or any Convertible Instruments.
15. Address for Correspondence:
Indokem Limited

Plot No. 410 / 411, Khatau House,

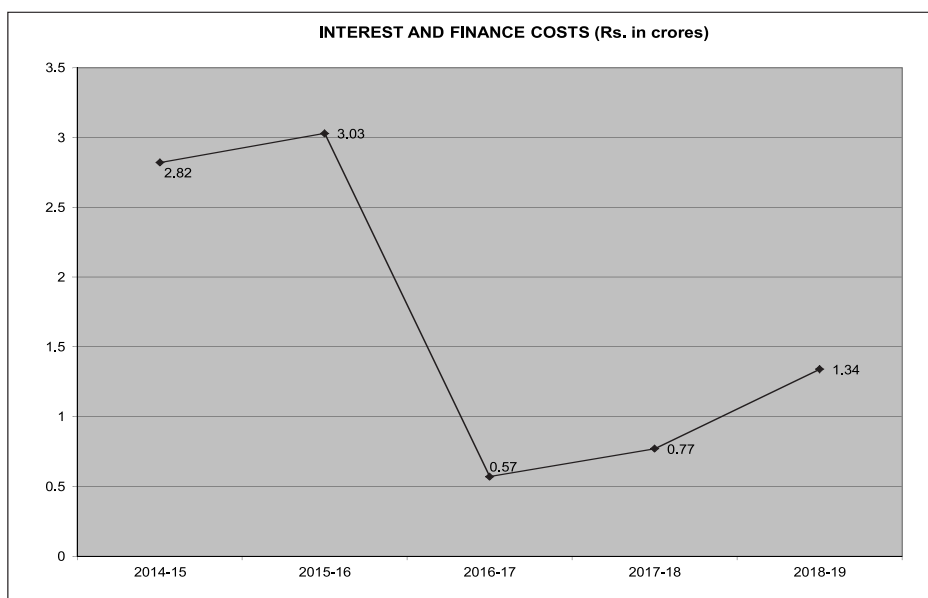
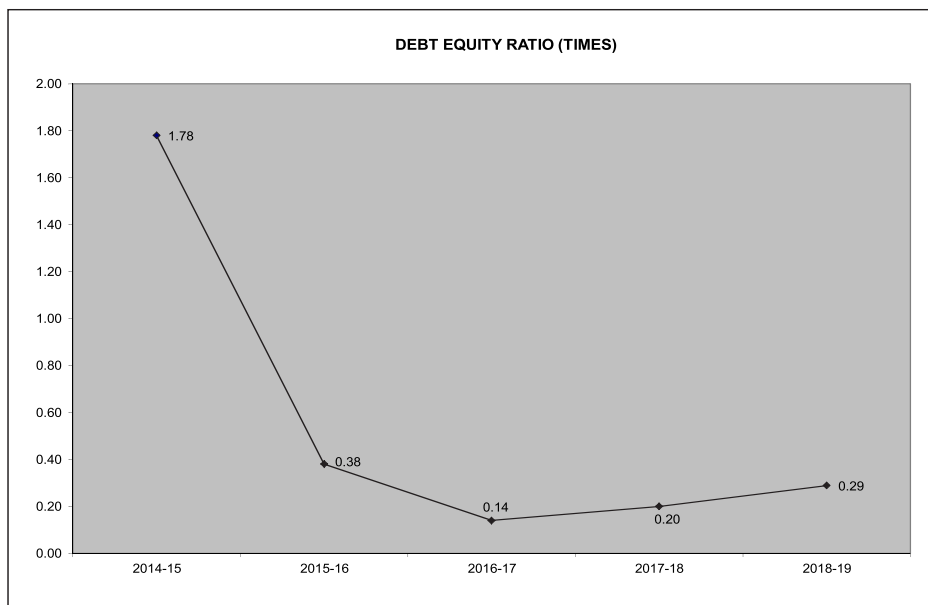
Mogul Lane, Mahim (West),

Mumbai – 400 016.

Telephone: 6123 6767

Designated e-mail address for Investor Services: iksecretarial@gmail.com
Website: www.indokem.co.in

FINANCIAL HIGHLIGHTS F. Y. - 2018-19



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

This is to confirm that the Company has adopted a Code of Conduct for all the members of the Board and Senior Management of the Company. It is further confirmed that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company as on 31st March, 2019.

Place: Mumbai
Date: 12th August, 2019

Sd/-
Mahendra K. Khatau
Chairman and Managing Director
DIN: 00062794

CERTIFICATION BY CHAIRMAN AND MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD

To,
The Members of Indokem Limited,

We hereby certify that:

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

Place: Mumbai
Date: 12th August, 2019

Sd/-
Mahendra K. Khatau
Chairman and Managing Director
DIN: 00062794

Sd/-
Rupal B. Parikh
Chief Financial Officer

**Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,

The Members of Indokem Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated October 31, 2017.
2. We have examined the compliance of conditions of Corporate Governance by Indokem Limited ("the Company"), for the year ended March 31, 2019, as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

Management's Responsibility for compliance with the conditions of Listing Regulations

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

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.
5. Pursuant to the requirements of the listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2019.
6. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
7. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. 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 Service Engagements.

Opinion

9. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.
10. 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.

Restriction on Use

11. This certificate is issued to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the aforesaid regulation and may not be suitable for any other purpose. Accordingly we do not accept or assume any liability or any duty of care for any other purpose or any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For CNK & Associates LLP
Chartered Accountants
Firm Registration No. 101961W/ W-100036
Sd/-
Manish Sampat
Membership No. 101684**

Place: Mumbai

Date: 13th May, 2019

SECRETARIAL AUDIT REPORT
Form No. MR - 3
For the financial year ended March 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members
INDOKEM LIMITED

Plot No. 410 / 411, Khatau House, Mogul Lane, Mahim, Mumbai - 400 016.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INDOKEM LIMITED (CIN: L31300MH1964PLC013088)** (hereinafter called the Company) for the year ended on March 31, 2019. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;
 - d. The Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. **(Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review)**;
 - g. The Securities and Exchange Board of India (Delisting of equity shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and
 - h. The Securities and Exchange Board of India (Buyback of Securities Regulations, 1998; **(Not applicable to the Company during the Audit Period)**;

(vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We are of the opinion that the Management has complied with the following laws specifically applicable to the Company:

1. Factories Act, 1948;
2. Industries (Development & Regulation) Act, 1951;
3. Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to wages, gratuity, prevention of sexual harassment, dispute resolution, welfare, provident fund, insurance, compensation etc.
4. Environment Protection Act, 1986 and other Environmental Laws;
5. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;
6. Indian Contract Act, 1872;
7. Negotiable Instruments Act, 1881;
8. Acts relating to protection of IPR;
9. The Legal Metrology Act, 2009;
10. Other local laws as applicable to various plants and offices.

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Securities and Exchange Board of India (Listing obligations and Disclosure Requirement) Regulation 2015 and the Listing Agreements entered into by the Company with Stock Exchanges.

We further report that:

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

Adequate notices were 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.

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

We further report that during the audit period, the Company had no specific events or actions which might have a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except following

Extension of Redemption of 2070975 8% non-cumulative, redeemable preference shares amounting to Rs. 2.07 crores for a period of 3 years i.e to February 10, 2022.

**For Ragini Chokshi & Co.
(Company Secretaries)**

**Sd/-
Makarand Patwardhan
Partner
C.P. No. 9031
Membership No. 11872**

**Place: Mumbai
Date: 12th May, 2019**

INDEPENDENT AUDITOR'S REPORT

To the Members of Indokem Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Indokem Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the 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 audit opinion on the 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matter	Auditor's Response
1	<p>Migration to new IT Server and upgradation of the existing software during the year under review.</p> <p>It requires thorough efforts to ensure proper control procedures were performed for data migration.</p>	<p>We verified that the opening balances were correctly posted from the first system to the second.</p> <p>We verified on test check basis the reliability of the data migrated and evaluated the design of internal control relating to the implementation of the new system and migration of data from the old system to the new.</p> <p>We performed cut off procedures and verification of closing balances to ensure that complete and accurate data is migrated from the first new system to the second new system.</p> <p>We performed overall data integrity and reliability procedures by collating the results from both the systems to cross verify that the closing results are reliable.</p>
2	<p>Impairment testing of goodwill relating to acquisition of Capacitor business. Working of value in use involves a high degree of estimates and futuristic outlooks which are non comparable.</p>	<p>Goodwill which was created in the earlier year. During amalgamation of Khatau. Capacitor Private Limited with Indokem Limited thereby acquiring capacitor business is an item which requires high degree of estimate about working of the current value in use for determining the recoverable amount for the purpose of impairment testing.</p> <p>We have verified the working as provided by the management and carried out testing of all the assumptions used in the working of the future cash flows and discount rate as well as growth rate for working out the terminal value in use compared with the past results, to ensure that the recoverable amount is more than the carrying value of the Capacitors business including goodwill.</p>

3	Status of contingent claims against the Company pending with high court. It involves high degree of uncertainty over the outcome of the case.	We have obtained the status of the pending cases from the legal expert as hired by the Company. We have enquired regarding the proceedings in the court concerning the cases and the likely maximum liability if the verdict is unfavourable and whether the amount disclosed is appropriate. Disclosure relating to the contingent claim has been disclosed in Note 23 to the financial statement.
4	The Company has uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	We have obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We also considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties. Disclosure relating to the uncertain tax positions has been disclosed in Note 23 to the financial statement.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

When we read the above reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate

to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure - A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of accounts 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, and the Statement of Cashflows dealt with by this Report are in agreement with the books of accounts.
 - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

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

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

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 23 to the Ind AS financial statements.

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

iii. The Company is not required to transfer any amount to the investor Education and Protection Fund during the ended March 31, 2019.

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W/ W - 100036

Sd/-

Manish Sampat

Partner

Membership No.: 101684

Place : Mumbai

Date : May 13, 2019

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets;
- (b) As explained to us, all fixed assets have not been physically verified by the management during the year but there is a regular program of verification which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records, the title deeds of the immovable properties, other than those disclosed below, are in the name of the Company.

Asset Class	No. of Cases	Gross Block (in Lakhs)	Net Block (in Lakhs)	Remarks
Building - Offices in Delhi	2	133.60	110.41	The Company became the owners of the premises by virtue of Scheme of Amalgamation of M/s. Manish Dyes and M/s. Ramakem Limited, with it. However, pending completion of relevant formalities, the asset continues to be in the name of the erstwhile amalgamated Company.

- (ii) As informed to us, the inventory has been physically verified by the Management at reasonable intervals during the year, discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the size of the Company and the same have been properly dealt with in the books of accounts.
- (iii) According to the information and explanations provided to us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) are not applicable to the Company.
- (iv) According to the information and explanations provided to us, the Company has complied with provisions of Section 185 & 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities.
- (v) According to the information and explanations provided to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under to the extent notified.
- (vi) According to the information and explanations given to us, the Company is not required to maintain cost records pursuant to the Companies (Cost Records and Audit) Amendment Rules, 2016, and prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act 2013.
- (vii) According to the information and explanation given to us, in respect of statutory dues,
- (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is 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 and other statutory dues as applicable, except, Professional Tax – Ankleshwar Rs. 7.45 lakhs, Employer & Employee contribution ESIC– Mumbai employees Rs. 0.02 lakhs, Employer & Employee contribution ESIC– Coimbatore Rs. 0.01 lakhs and Professional Tax – Coimbatore Rs. 0.97 lakhs.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax and provident fund damages as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the matter is pending
Income Tax Act, 1961	Income Tax	11.92	2007-08	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2.09	2006-07	Commissioner of Income Tax (Appeals)
Sales Tax	Sales Tax	9.93	1990-91	Sales Tax Tribunal
Sales Tax	Sales Tax	11.54	1995-96	Sales Tax Tribunal
Sales Tax	Sales Tax	1.61	2004-05	Assistant Commissioner (Appeals)
Provident Fund	Provident fund damages - Ankleshwar	61.37	March 1997 to August 2007	Central Government Industrial Tribunal - Ahmedabad
Provident Fund	Provident fund damages - Ankleshwar	3.30	March 2007 to July 2011	Central Government Industrial Tribunal - Ahmedabad

- (viii) In our opinion, the Company has not defaulted in the repayment of loans or borrowings to financial institution, banks. The Company has not taken any loans or borrowings from any government and has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans availed by the Company have been applied for the purposes for which they were obtained.
- (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 course of our audit.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013 (Also refer Note No. 31 of the Ind AS financial statements).
- (xii) The Company is not a Nidhi Company and therefore the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) According to the records of the Company examined by us and the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details thereof have been disclosed in the Ind AS Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W/ W - 100036

Sd/-

Manish Sampat

Partner

Membership No.: 101684

Place : Mumbai

Date : May 13, 2019

Annexure - B to the Auditors' Report

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

Opinion

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

In our opinion, except in case of inventory where preventive controls need to be strengthened although mitigating control exists; the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of 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 Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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

Sd/-
Manish Sampat
Partner
Membership number: 101684

Place : Mumbai
Date : May 13, 2019

BALANCE SHEET AS AT MARCH 31, 2019

		₹ in lakhs	
	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current Assets			
Property, plant and equipment	3	25,77	25,65
Capital work-in-progress	3(a)	44	30
Intangible assets	4	95	81
Intangible assets under development	4(a)	-	2
Financial assets			
Investments	5(a)	1	-
Loans	5(b)	14	14
Other financial assets	5(c)	23	21
Income tax assets (net)	6	30	26
Other non-current assets	7	2,39	2,50
Total Non-current Assets		30,23	29,89
Current Assets			
Inventories	8	9,82	8,31
Financial assets			
Investments	5(a)	-	1
Trade and other receivables	5(d)	19,60	24,53
Cash and cash equivalents	5(e)	50	47
Bank balance other than cash and cash equivalents	5(f)	5	4
Loans	5(b)	2	4
Other financial assets	5(c)	61	66
Other current assets	7	1,07	73
Total Current Assets		31,67	34,79
Total Assets		61,90	64,68
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	9(a)	24,33	24,33
Other equity	9(b)	4,04	5,10
Total Equity		28,37	29,43
LIABILITIES			
Non-current Liabilities			
Financial liabilities			
Borrowings	10(a)	8,18	6,00
Other financial liabilities	10(b)	2,10	2,03
Employee benefit obligations	11	1,40	1,37
Total Non-current Liabilities		11,68	9,40
Current Liabilities			
Financial liabilities			
Trade payables	10(c)	18,37	22,09
Other financial liabilities	10(b)	62	38
Employee benefit obligations	11	55	47
Other current liabilities	12	2,31	2,91
Total Current Liabilities		21,85	25,85
Total Liabilities		33,53	35,25
Total Equity and Liabilities		61,90	64,68

See accompanying notes 1 to 31 forming part of the Ind AS financial statements

As per our attached report of even date

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W/ W - 100036

Manish Sampat

Partner

Membership No.: 101684

Place : Mumbai

Date : May 13, 2019

For and on behalf of the Board of Directors

Mahendra K. Khatau

Chairman & Managing Director

DIN : 00062794

Rupal B. Parikh

Chief Financial Officer

Manish M. Khatau

Director

DIN : 02952828

Rajesh D. Pisal

Company Secretary

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

		₹ in lakhs	
	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
CONTINUING OPERATIONS			
Income			
Revenue from operations	13	79,40	79,67
Other income	14	1,33	2,08
Total Income		80,73	81,75
Expenses			
Cost of materials consumed	15	53,92	49,13
Purchase of stock in trade		7,96	10,54
Changes in inventories of finished goods and work-in-process	16	47	1,42
Employee benefits expenses	17	8,27	7,65
Excise duty		-	1,65
Finance cost	18	1,16	77
Depreciation/ amortisation	3 & 4	1,00	82
Other expenses	19	8,93	11,42
Total Expenses		81,71	83,40
Profit/ (loss) before tax from continuing operations		(98)	(1,65)
Current tax	20	-	-
Profit/ (loss) after tax from continuing operations		(98)	(1,65)
DISCONTINUED OPERATIONS			
Profit/ (loss) before tax from discontinued operations	21	(18)	(7)
Current tax		-	-
Profit/ (loss) after tax from discontinued operations		(18)	(7)
Profit/ (loss) for the year		(1,16)	(1,72)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit and loss account</i>			
Remeasurement of post employment benefit obligation		10	(36)
Total other comprehensive income/ (loss)		10	(36)
Total comprehensive income/ (loss) for the year		(1,06)	(2,08)
Earnings per equity share (Face value of Rs. 10 each) :			
Basic and diluted earnings per share from continuing operations (in Rs.)	22	(0.40)	(0.68)
Basic and diluted earnings per share from discontinued operations (in Rs.)	22	(0.07)	(0.03)
Total basic and diluted earnings per share (in Rs.)	22	(0.47)	(0.71)

See accompanying notes 1 to 31 forming part of the Ind AS financial statements

As per our attached report of even date

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W/ W - 100036

Manish Sampat

Partner

Membership No.: 101684

Place : Mumbai

Date : May 13, 2019

For and on behalf of the Board of Directors

Mahendra K. Khatau

Chairman & Managing Director

DIN : 00062794

Rupal B. Parikh

Chief Financial Officer

Manish M. Khatau

Director

DIN : 02952828

Rajesh D. Pisal

Company Secretary

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

₹ in lakhs

Particulars	Equity share capital	Other equity					Total equity attributable to equity holders of the Company
		Reserves and surplus				Other comprehensive income	
		Securities premium	Capital reserve	General reserve	Retained earnings		
Balance as on April 1, 2017	24,33	10,23	4,61	6,48	(14,15)	1	31,51
Re-measurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	-	-	(36)	(36)
Profit/ (loss) for the year	-	-	-	-	(1,72)	-	(1,72)
Balance as on March 31, 2018	24,33	10,23	4,61	6,48	(15,87)	(35)	29,43
Re-measurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	-	-	10	10
Profit/ (loss) for the year	-	-	-	-	(1,16)	-	(1,16)
Balance as on March 31, 2019	24,33	10,23	4,61	6,48	(17,03)	(25)	28,37

As per our attached report of even date

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W/ W - 100036

For and on behalf of the Board of Directors
Manish Sampat

Partner

Membership No.: 101684

Mahendra K. Khatau

Chairman & Managing Director

DIN : 00062794

Manish M. Khatau

Director

DIN : 02952828

Place : Mumbai
Date : May 13, 2019
Rupal B. Parikh

Chief Financial Officer

Rajesh D. Pisal

Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

	₹ in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
I. CASH FLOW FROM CONTINUING OPERATIONS		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	(98)	(1,65)
Adjustments for :		
Depreciation	1,00	82
Finance costs	1,16	77
Interest income	-	(1)
Allowances for credit losses	30	1,90
(Gain)/ loss on sale/ scrapping of asset	-	4
Insurance claim (netted off against loss on sale of asset)	-	(6)
Profit on sale of current and non-current investments (net)	-	(1)
Sundry balances written back	(2)	-
Provisions written back	(77)	-
Operating profit before working capital changes	69	180
Changes in working capital:		
(Increase)/ decrease in inventories	(1,51)	1,73
(Increase)/ decrease in trade receivables	4,63	(4,32)
(Increase)/ decrease in loans and advances	2	3
(Increase)/ decrease in other financial assets	3	10
(Increase)/ decrease in other assets	(12)	22
Increase/ (decrease) in trade payables	(3,72)	3,06
Increase/ (decrease) in other financial liabilities	5	8
Increase/ (decrease) in other current liabilities	38	(91)
Increase/ (decrease) in employee benefit obligations	21	27
Cash generated from operations	66	2,06
Income taxes refunded/ (paid), net	(4)	(3)
Net cash (used in)/ generated from operating activities	62	2,03
B. CASH FLOW FROM INVESTING ACTIVITIES		
Expenditure on property, plant and equipment and capital advances	(1,69)	(2,93)
Proceeds from sale of plant and equipment	-	25
Purchase of current investments (units of mutual funds)	(1,60)	(1,02)
Sale of current investments (units of mutual funds)	1,60	1,03
Net cash (used in)/ generated from investing activities	(1,69)	(2,67)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from loans taken from banks and financial institutions	6,07	1,06
Repayment of loans taken from banks and financial institutions	(1,85)	(33)
Unsecured loans taken from Directors	1,25	94
Unsecured loans repaid to Directors	(3,06)	(40)
Finance costs paid	(1,13)	(73)
Net cash (used in)/ generated from financing activities	1,28	54
NET CASH (USED IN)/ GENERATED FROM CONTINUING OPERATIONS	21	(10)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

₹ in lakhs

	Year ended March 31, 2019	Year ended March 31, 2018
II. CASH FLOW FROM DISCONTINUED OPERATIONS		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	(18)	(7)
Changes in working capital:	-	-
Net cash (used in)/ generated from operating activities	(18)	(7)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Net cash (used in)/ generated from investing activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net cash (used in)/ generated from financing activities	-	-
NET CASH (USED IN)/ GENERATED FROM DISCONTINUED OPERATIONS	(18)	(7)
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	3	(17)
Cash and cash equivalents at the beginning of the year	47	64
Cash and cash equivalents at the end of the year (Refer Note 5(e))	50	47

Cash and cash equivalents comprise the following:

₹ in lakhs

	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents as per Note 5(e)	50	47
Balance as per Statement of Cash Flows	50	47

As per our attached report of even date

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W/ W - 100036

For and on behalf of the Board of Directors
Manish Sampat

Partner

Membership No.: 101684

Mahendra K. Khatau

Chairman & Managing Director

DIN : 00062794

Manish M. Khatau

Director

DIN : 02952828

Place : Mumbai
Date : May 13, 2019
Rupal B. Parikh

Chief Financial Officer

Rajesh D. Pisal

Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Note 1 : Corporate Information

Indokem Limited (referred to as "the Company") deals in dyes, sizing chemicals and auxiliaries in textile industry. The Company also deals in electrical capacitors. It has its head office in Mahim, Mumbai and branch offices at Ahmedabad, Delhi and Coimbatore. Its manufacturing and warehousing facilities are located at Dahisar Mori and Ambarnath near Mumbai, Narol- Ahmedabad and Coimbatore locations. The Company is incorporated and domiciled in India and is listed on the Bombay Stock Exchange in India.

The financial statements for the year ended March 31, 2019 were approved for issue in accordance with the resolution of the Board of Directors in its meeting held on May 13, 2019.

Note 2 : Significant Accounting Policies
a) Statement of compliance:

These financial statements are prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") notified under Section 133 of Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Basis of preparation and presentation:
1) Basis of preparation:

These financial statements have been prepared in accordance with historical cost basis except for the following assets and liabilities :

- i) Certain financial assets and liabilities are measured at fair value;
- ii) Assets held for sale are measured at the lower of carrying value and fair value less costs to sell; and
- iii) Defined benefit plans where plan assets are measured at fair value.

2) Functional and presentation currency:

The Company's presentation and functional currency is in Indian rupees. All amounts in these financial statements, except per share value and unless stated otherwise, have been rounded off and presented in lakhs.

3) Classification of assets and liabilities into current/ non-current:

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. All the assets and liabilities have been classified as current/ non-current as per the Company's normal operating cycle and other criteria set out in Division II to Schedule III of the Companies Act, 2013.

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current .

c) Use of estimates:

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Critical estimates and judgements :

This note provides an overview of the areas that involves a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgement are:

- Estimation of defined benefit obligation - Refer Note 25
- Estimation of current tax expenses - Refer Note 20
- Useful lives of property, plant and equipment - Refer Note 2(g)
- Fair valuation of financial and non-financial assets - Refer Note 24

d) Principles of business combination:

The acquisition method of accounting under Ind AS 103 is used to account for business combinations by the Company from the date of transition to Ind AS i.e. April 1, 2016. Prior to the date of transition to Ind AS, business acquisition has been accounted based on previous GAAP.

e) Property, plant and equipment ("PPE"):

The initial cost of an item of PPE comprises its purchase price net of any trade discounts and rebates and includes import duties and other taxes (other than those subsequently recoverable from the tax authorities) and any other directly attributable expenditure incurred in making the asset ready for its intended use, including interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Material items such as spare parts, stand-by-equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16- property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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 when the asset is derecognised.

f) Capital work in progress:

Capital work in progress is stated at cost, net of impairment losses, if any.

g) Depreciation:

The Company provides depreciation as per the useful life of PPE as per Schedule II to the Companies Act, 2013. Depreciation is provided on Straight Line Method on all PPE at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013, except in the case of following assets:

Nature of asset	Useful life
Leasehold Land and Building	Lease term
Temporary shed	Remaining lease term

Assets costing less than ₹ 5,000/- are fully depreciated in the year of capitalisation. Depreciation on additions/ deductions to PPE made during the year is provided on pro-rata basis from/ upto the date of such additions/ deductions, as the case may be.

h) Intangible assets:

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

Nature of asset	Useful life
Computer software	3 years

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
i) Borrowing costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. 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 costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j) Assets held for sale:

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for sale in its present condition subject only to terms that are usual and customary for sale of such assets. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment classified as held for sale are not depreciated.

k) Leases:
Finance lease

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such lease are capitalised at the inception of lease at the lower of fair value or present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between liability and the interest cost so as to obtain a constant periodic rate of interest on outstanding liability each year.

Operating lease

Lease arrangements where risks and rewards incidental to ownership of an asset substantially vest with lessor are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term in the statement of Profit and Loss, unless the lease arrangement explicitly states an increase on account of inflation.

l) Impairment of non-financial asset:

Non-financial assets other than inventories and non-current assets held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is higher of the asset's or cash generating unit's (CGU) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

m) Inventories:

Inventories are valued as follows:

- 1) Raw materials and packing materials are valued at lower of cost and net realisable value (NRV). Cost is determined on FIFO basis. The cost of inventory comprises of its purchase price, including non-refundable purchase taxes, and any directly attributable costs related to the inventories.
- 2) Work-in-process is valued at lower of cost and net realisable value. Cost of finished goods and WIP includes cost of raw materials, direct labour, other direct costs and related production overheads upto the relevant stage of production. Cost of inventories is computed on FIFO basis.
- 3) Stock in trade is valued at cost or net realisable value whichever is lower. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and/ or estimated costs necessary to make sale.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
n) Foreign currency transactions:

The transactions in currencies other than the Company's functional currency are translated at the rates of exchange prevailing at the dates of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the year end exchange rates. Foreign exchange gains and losses arising from such translation are recognised in the statement of Profit and Loss.

Foreign exchange differences regarded as adjustments to borrowing costs are presented in the statement of profit and loss, within finance cost. All other foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis within other gains/ losses.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rate as on the date of initial recognition.

Effective April 1, 2018, the Company has adopted Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

o) 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 is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- 1) The customer simultaneously receives and consumes the benefits provided by the Company; or
- 2) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhances; or
- 3) The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from sale of products are recognised at a time on which the performance obligation is satisfied.

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

Interest income is recognised on time proportion basis taking into account the amount outstanding on effective interest rate.

Insurance claims are accounted on accrual basis when the claims become receivable.

Recoveries from group Companies and third parties include recoveries towards common facilities/ resources and other support provided to such parties which is recognised as per terms of agreement and in the year in which such services are rendered.

p) Income taxes:

Current tax is the amount of tax payable on taxable income for the year determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred income tax is recognised on differences between the carrying amount of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all deductible temporary differences and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and deferred tax liabilities are measured at applicable tax rates and offset and presented as net.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

q) 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 is based on the presumption that the transaction to sell the assets or transfer the liability takes place either:

- 1) In the principal market for the asset or liability; or
- 2) In the absence of a principal market, in the most advantageous market which can be accessed by the Company for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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:

- i) Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- ii) Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- iii) 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 reassessing 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.

r) Financial assets:**Initial recognition and measurement:**

Financial assets are recognised and measured in accordance with Ind AS 109 on financial instruments. Accordingly, the Company recognises financial asset only when it has a contractual right to receive cash or other financial assets from another entity.

Financial assets are initially recognised at fair value plus transaction costs directly attributable to its acquisition. The transaction costs incurred for the purchase of financial assets held at fair value through profit or loss are expensed in the statement of Profit and Loss immediately.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Subsequent measurement:

Subsequent to initial recognition, financial assets are measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVPL). The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

1) **Debt instruments:**

There are three measurement categories into which the Company classifies its debt instruments:

At amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are accounted for at amortised cost using the effective interest method. This category comprises trade accounts receivable, loans, cash and cash equivalents, bank balances and other financial assets. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). The movements in carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of Profit and Loss and recognised in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through profit or loss (FVPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in the statement of Profit and Loss and presented within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

2) **Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the profit or loss.

Derecognition:

A financial asset is primarily derecognised when:

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

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVPL) are recognised in the statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Profit or Loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

Impairment of Financial Assets:

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

- i) Financial assets that are debt instruments and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balance. Financial assets measured at fair value through other comprehensive income.
- ii) In case of other assets (listed as 1 above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

s) Financial Liabilities:**Initial recognition and measurement**

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

Subsequent measurement:

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

Financial liabilities at fair value through profit or loss:

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

Financial liabilities at amortised cost:

Financial liabilities classified and measured at amortised cost such as loans and borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in 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.

Derecognition:

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 in the respective carrying amounts is recognised in the statement of Profit and Loss.

Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the drawdown occurs.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

The borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash asset transferred or liabilities assumed, is recognised in profit or loss as other gains/ (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

t) Employee benefits:
1) Short term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the services. These benefits include compensated absences such as paid annual leave and performance incentives.

2) Long term employee benefits:

The Company provides post-employment benefits under defined contribution and/ or defined benefit plans:

(i) Defined benefit plan:

For defined benefit plan, the cost of providing benefits is determined using projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains or losses are recognised in full in other comprehensive income for the period in which they occur. Past service costs both vested and unvested are recognised as an expense (a) when the plan amendment or curtailment occurs ; (b) when the entity recognises related restructuring cost or termination benefits, whichever is earlier. The retirement benefits obligation recognised in the Balance Sheet represents the present value of defined benefit obligations reduced by the fair value of plan assets.

(ii) Defined contribution plans:

Contribution to defined contribution plans are recognized as an expense when the employees have rendered services entitling them to such benefits.

u) 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 event 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. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the statement of Profit and Loss as a finance cost.

Contingent liabilities are disclosed by way of a note to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are not recognized in financial statements but disclosed when the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
v) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. These do not include bank balances earmarked/ restricted for specific purposes.

w) Cash flow statement:

Cash flows are reported using the indirect method, whereby profit/ loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

x) Earnings per share:
1) Basic earnings per share:

Basic earnings per share is calculated by dividing the profit/ (loss) after tax attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

2) Diluted earnings per share:

Diluted earnings per share is calculated by dividing the profit/ (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

y) Ind AS 108: Segment Reporting:

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers.

Based on "Management Approach" as defined in Ind AS 108 - Operating segments, the operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

z) Recent accounting pronouncements:
Ind AS 116: Leases

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Note 3 : Property, plant and equipment
Property, plant and equipment F.Y.2018-19

₹ in lakhs

Assets	Free- hold land	Lease- hold land	Build- ings	Plant & machin- ery	Electrical fittings	Furni- ture and fixtures	Vehicles	Office equip- ment	Total
GROSS BLOCK									
As at April 1, 2018	2,64	10,70	7,22	3,97	11	46	143	25	26,78
Additions	-	-	4	28	-	-*	62	12	1,07
Deletions	-	-	-	-	-	-	-	-*	-*
As at March 31, 2019	2,64	10,70	7,26	4,25	11	46	2,05	37	27,84
DEPRECIATION									
As at April 1, 2018	-	2	41	28	3	12	15	12	1,13
For the Year	-	3	26	28	2	6	24	6	95
Deductions/ Adjustments	-	-	-	-	-	-	-	-*	-*
As at March 31, 2019	-	5	67	56	5	18	39	18	2,08
NET BLOCK									
As at March 31, 2019	2,64	10,65	6,60	3,68	6	28	1,66	19	25,77
As at April 1, 2018	2,64	10,68	6,81	3,69	8	34	1,28	13	25,65

Note: * Amount is below the rounding off limits followed by the Company's norms.

Property, plant and equipment F.Y.2017-18

₹ in lakhs

Assets	Free- hold land	Lease- hold land	Build- ings	Plant & machin- ery	Electrical fittings	Furni- ture and fixtures	Vehicles	Office equip- ment	Total
GROSS BLOCK									
As at April 1, 2017	2,64	9,74	6,66	2,17	11	45	1,93	22	23,92
Additions	-	96	56	1,87	-	2	-	3	3,44
Deletions	-	-	-	7	-	1	50	-	58
As at March 31, 2018	2,64	10,70	7,22	3,97	11	46	1,43	25	26,78
DEPRECIATION									
As at April 1, 2017	-	1	19	13	1	6	24	6	70
For the Year	-	1	22	18	2	6	23	6	78
Deductions/ Adjustments	-	-	-	3	-	-	32	-	35
As at March 31, 2018	-	2	41	28	3	12	15	12	1,13
NET BLOCK									
As at March 31, 2018	2,64	10,68	6,81	3,69	8	34	1,28	13	25,65
As at April 1, 2017	2,64	9,73	6,47	2,03	10	39	1,69	16	23,21

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Note 3 (a) : Capital work in progress

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Capital work in progress	44	30
Total Capital work in progress	44	30

Note 4 : Intangible assets
Intangible assets F.Y. 2018-19

₹ in lakhs

Assets	Goodwill	Computer software	Total
GROSS BLOCK			
As at April 1, 2018	71	18	89
Additions	-	19	19
Deletions	-	-	-
As at March 31, 2019	71	37	108
DEPRECIATION			
As at April 1, 2018	-	8	8
For the Year	-	5	5
Deductions/Adjustments	-	-	-
As at March 31, 2019	-	13	13
NET BLOCK			
As at March 31, 2019	71	24	95
As at April 1, 2018	71	10	81

Intangible assets F.Y. 2017-18

₹ in lakhs

Assets	Goodwill	Computer software	Total
GROSS BLOCK			
As at April 1, 2017	71	12	83
Additions	-	6	6
Deletions	-	-	-
As at March 31, 2018	71	18	89
DEPRECIATION			
As at April 1, 2017	-	4	4
For the Year	-	4	4
Deductions/Adjustments	-	-	-
As at March 31, 2018	-	8	8
NET BLOCK			
As at March 31, 2018	71	10	81
As at April 1, 2017	71	8	79

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Note 4 (a) : Intangible assets under development

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Intangible assets under development	-	2
Total Intangible assets under development	-	2

Note 5(a): Investments

₹ in lakhs

Particulars	Non- current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
(a) Investments carried at fair value through OCI	-	-	-	-
(b) Investments carried at amortised cost	-	-	-	-
(c) Investments carried at fair value through profit or loss				
Investments in equity instruments, quoted (fully paid-up)				
3,000 Equity shares of ₹ 10 each, in Suryakrupa Finance Limited <i>(As at March 31, 2019 - 3,000, As at March 31, 2018 - 3,000)</i>	-	- *	- *	-
Other investments, unquoted				
2,00,000 redeemable debentures of ₹ 100 each of Priyamvada Holdings Limited <i>(As at March 31, 2019 - 2,00,000. As at March 31, 2018 - 2,00,000.)</i>	1	-	-	1
50,000 redeemable debentures of ₹ 100 each of Khatau Holding and Trading Company Private Limited <i>(As at March 31, 2019 - 50,000. As at March 31, 2018 - 50,000)</i>	-	-	- *	- *
	1	- *	- *	1
Total Investments	1	- *	- *	1

Note : * Amount is below the rounding off limits followed by the Company's norms.

₹ in lakhs

Particulars	Non- current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Aggregate amount of unquoted investments	1	-	-	1
Aggregate amount of quoted investments	-	- *	- *	-
Investments carried at fair value through profit or loss	-	- *	-	1

Note : * Amount is below the rounding off limits followed by the Company's norms.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Note 5 (b) : Loans and advances

₹ in lakhs

Particulars	Non- current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Loans to related parties (Refer Note (i) below)	-	-	- *	-
Loans to employees	14	14	-	2
Other loans and advances (Refer Note (ii) below)	-	-	2	2
Total loans	14	14	2	4

Note (i) : During the financial year 2014-15, interest receivable/ loan receivable from a group Company amounting to ₹ 322 lakhs was reinstated by the Company upon determination of its realisability. The said amount was written off as "Nil" upon amalgamation/ merger of group Companies in earlier years on fair value approach in accordance with scheme of amalgamation/ merger approved by the Hon'ble High Court of Judicature at Bombay. Based on the estimated realisability of the loan amounting to ₹ 271 lakhs as at March 31, 2016 and in accordance with the new Ind AS accounting standards notified by MCA, the Company has fair valued the loan to ₹ Nil and adjusted the difference against retained earnings as on the date of transition. Based on the evaluation of the management as on March 31, 2019, there is no change in the status of realisability of the said loan.

Note (ii) : Further, based on the estimated realisability of the loan given to a group Company amounting to ₹ 323 lakhs as at March 31, 2016 and in accordance with the new Ind AS accounting standards notified by MCA, the Company has fair valued the loan to ₹ 58 Lakhs and adjusted the difference against retained earnings as on the date of transition.

Note (iii) : * Amount is below the rounding off limits followed by the Company's norms.

Note 5 (c) : Other financial assets

₹ in lakhs

Particulars	Non- current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Security deposits (Refer Note below)	23	21	61	66
Total other financial assets	23	21	61	66

Note: Security deposits as at March 31, 2019 and March 31, 2018 include an amount of ₹ 36 lakhs that pertains to discontinued operations and therefore disclosed as current.

Note 5 (d) : Trade and other receivables

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Secured, considered good	49	52
Unsecured, considered good	19,11	24,01
Unsecured, considered doubtful	2,10	1,80
Less : Allowances for credit losses	(2,10)	(1,80)
	-	-
Total trade and other receivables	19,60	24,53

Note: Amounts receivable from related party as on March 31, 2019 is ₹ 36 lakhs and as on March 31, 2018 is ₹ 50 lakhs.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Note 5 (e): Cash and cash equivalents

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Balances with banks in current accounts	45	41
(b) Cash in hand	5	6
Total cash and cash equivalents	50	47

Note 5 (f) : Bank balance other than cash and cash equivalents

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed deposits with maturity less than 12 months	5	4
Total bank balance other than cash & cash equivalents	5	4

Note 6 : Income tax assets

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax assets	30	26
Total income tax assets (net)	30	26

Note 7: Other current assets

₹ in lakhs

Particulars	Non- current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Considered good				
Indirect taxes recoverable	39	48	44	32
Advance for capital expenditure	2,00	2,00	-	-
Prepayments	-	2	11	17
Other receivables	-	- *	3	5
Advances to suppliers	-	-	40	9
Advances to employees	-	-	5	5
Advances to related parties	-	-	- *	- *
Export Incentives receivable	-	-	4	5
Considered doubtful				
Advances to suppliers	16	27	-	-
Less: Provision for doubtful advances	(16)	(27)	-	-
	-	-	-	-
Total other assets	2,39	2,50	1,07	73

Note : * Amount is below the rounding off limits followed by the Company's norms.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Note 8: Inventories

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
At lower of cost and net realisable value		
(a) Raw materials and packing materials		
Raw materials	6,42	4,45
Goods-in-transit	16	12
Packing materials	49	51
(b) Work-in-process	35	40
(c) Finished goods		
Finished goods	2,27	2,70
Goods-in-transit	6	7
(d) Stock in trade	7	6
Total inventories	9,82	8,31

Note 9 : Share capital and other equity
Note 9 (a) : Share capital

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised share capital:		
Equity shares of ₹ 10/- each (As at March 31, 2019 - 2,43,25,600, As at March 31, 2018 - 2,43,25,600)	24,33	24,33
Preference shares of ₹ 10/- each (As at March 31, 2019 - 21,00,000, As at March 31, 2018 - 21,00,000)	2,10	2,10
Issued, subscribed and fully paid up capital:		
Equity shares of ₹ 10/- each (As at March 31, 2019 - 2,43,25,600, As at March 31, 2018 - 2,43,25,600)	24,33	24,33
	24,33	24,33

(i) Reconciliation of number of shares and amount outstanding at the beginning and end of reporting period

Equity shares

₹ in lakhs

Particulars	31st March, 2019		31st March, 2018	
	No of shares	Amount	No of shares	Amount
At the beginning of year	2,43,25,600	24,33	2,43,25,600	24,33
Increase during the year	-	-	-	-
Cancelled during the year	-	-	-	-
At the end of reporting period	2,43,25,600	24,33	2,43,25,600	24,33

(ii) Rights, preference and restrictions attached to shares:

Equity shares:

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(iii) The details of shareholders holding more than 5% of shares of the Company :

Particulars	31st March, 2019		31st March, 2018	
	Number	%	Number	%
Equity shares:				
Vindhyapriya Holdings Pvt. Ltd.	53,65,296	22.06%	53,65,296	22.06%
Mahendra K. Khatau	16,37,066	6.73%	16,36,866	6.73%
Priyanilgiri Holdings Pvt. Ltd.	48,96,929	20.13%	48,96,929	20.13%
MKK Holdings Pvt. Ltd.	37,77,877	15.53%	37,77,877	15.53%

(iv) Aggregate number of bonus shares issued, shares issued for consideration other than cash, cancelled and shares bought back during the period of five years immediately preceding the date of the Balance Sheet:

Particulars	Year (Aggregate no. of shares)				
	2018-19	2017-18	2016-17	2015-16	2014-15
Equity shares					
Shares cancelled out of shares held for disposal on merger	-	-	-	1,71,588	-

Note 9 (b) : Other equity

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Securities premium	10,23	10,23
Capital reserve	4,61	4,61
General reserve	6,48	6,48
Retained earnings	(17,03)	(15,87)
Other comprehensive income	(25)	(35)
Total reserves and surplus	4,04	5,10

Nature and purpose of other reserves:
Securities premium

Securities premium reserve is used to record premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Capital reserve

Capital reserve includes amounts realised on forfeiture of shares and reserves acquired on previous amalgamations.

General reserve

General reserve consists of reserve created on account of the difference between the fair valuation of assets and liabilities acquired by Company vis-a-vis the share capital it issued on amalgamation with its subsidiary Companies vide Amalgamation Scheme approved by the Honorable High Court of Bombay.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Note 10 (a) : Long term borrowings

₹ in lakhs

Particulars	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Secured				
(a) Rupee term loans/ vehicle loans				
- from banks	41	7	16	9
- from financial institutions	3,05	45	35	19
Total secured loans [A]	3,46	52	51	28
Unsecured				
(a) 20,70,975 8% Non- cumulative redeemable preference shares of ₹ 10/- each	2,07	2,07	-	-
(b) Loans from financial institutions	1,99	94	-	-
(c) Loan from related parties	66	2,47	-	-
Total unsecured loans [B]	4,72	5,48	-	-
Total borrowings [A+B]	8,18	6,00	51	28

i) Repayment terms and securities of secured loans:

₹ in lakhs

Nature of security	Terms of repayment	Month in which last instalment is due	Prevailing Interest rate per annum	Balance as at March 31, 2019	Balance as at March 31, 2018
Secured rupee term loans/ vehicle loans from banks					
Secured against hypothecation of specific vehicle	Monthly instalments	September 5, 2019	10.85%	2	6
Secured against hypothecation of specific vehicle	Monthly instalments	September 5, 2019	10.85%	1	4
Secured against hypothecation of specific vehicle	Monthly instalments	June 5, 2020	11.46%	3	6
Secured against hypothecation of specific vehicle	Monthly instalments	October 10, 2023	8.95%	50	-
				56	16
Secured rupee term loans/ vehicle loans from financial institutions					
Secured against hypothecation of specific vehicle	Monthly instalments	February 7, 2021	11.49%	45	64
Secured against Property - (Buildings Khatau House)	Monthly instalments	October 10, 2028	11.00%	1,95	-
Secured against Property - (Buildings Khatau House)	Monthly instalments	September 23, 2028	11.50%	1,00	-
				3,40	64

Unsecured preference shares

The 8% non- cumulative, redeemable preference shares amounting to ₹2,07 lakhs were allotted on February 11, 2016 and were redeemable on or before February 10, 2019. However, the terms of redemption have been further extended for a period of 3 years i.e to February 10, 2022.

Unsecured loans from financial institutions

Loans from financial institutions are secured against pledging of investments held by promoters in personal capacity.

Unsecured loans from related parties

Unsecured loans from related parties are long term in nature.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Maturity profile of secured and unsecured loans:

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Between one to five years	5,74	6,28
Over five years	2,95	-

Note 10 (b) : Other financial liabilities

₹ in lakhs

Particulars	Non- current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Current maturities of long term borrowings (Refer Note 10(a))	-	-	51	28
Security deposits from others	2,10	2,03	2	4
Interest accrued but not due on loans	-	-	2	1
Interest accrued and due on borrowings	-	-	7	5
Total other financial liabilities	2,10	2,03	62	38

Note 10 (c) : Trade payables

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables:		
- Dues to micro and small enterprises (Refer Note below)	-	-
- Other than micro and small enterprises	18,37	22,09
Total trade payables	18,37	22,09

Note: In absence of necessary information relating to the suppliers registered as micro, small and medium enterprises under the Micro, Small and Medium Enterprise Development Act, 2006, the Company has not been able to identify such suppliers and disclose the information required under the said Act relating to them.

Note 11 : Employee benefit obligations

₹ in lakhs

Particulars	Non- current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Gratuity (Refer Note 25)	1,00	94	39	35
Compensated absences (Refer Note 25)	33	36	16	12
Superannuation scheme	7	7	-	-
Total employee benefit obligations	1,40	1,37	55	47

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Note 12 : Other current liabilities

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory and other related dues	16	1,12
Creditors for capital expenditure	11	40
Employee benefit payable	1,01	70
Payable to others	58	44
Payable to related parties	2	11
Advance from customers	43	14
Total other current liabilities	2,31	2,91

Note 13 : Revenue from operations

₹ in lakhs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of products		
Sales		
Finished goods	72,93	70,57
Sale of DEPB Licences	56	-
Stock in trade	5,67	8,73
Total Sales	79,16	79,30
Other operating revenues		
Freight, octroi, insurance and handling charges recovered	- *	5
Export incentives	18	19
Job work income	6	13
Total revenue from operations	79,40	79,67

Note: * Amount is below the rounding off limits followed by the Company's norms.

Note 14 : Other income

₹ in lakhs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income		
- on fixed deposits with banks	- *	- *
- on others	4	8
Rental income	5	4
Recovery of office expenses	10	10
Gain on foreign exchange transactions (net)	34	1,79
Profit on sale of current and non-current investment (net)	- *	1
Profit on sale of assets	- *	-
Provisions no longer required written back	67	-
Provision for doubtful advances written back	10	-
Miscellaneous Income- others	1	-
Gain on fair valuation of investments through profit and loss	-	- *
Sundry balances written back (net)	2	-
Insurance claim (netted off against the loss on sale of asset)	-	6
Total other income	1,33	2,08

Note: * Amount is below the rounding off limits followed by the Company's norms.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Note 15 : Cost of materials consumed

₹ in lakhs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock of raw materials	4,57	5,03
Add : Purchases	53,16	46,11
Less : Closing stock of raw materials	6,58	4,57
Cost of raw materials consumed	51,15	46,57
Opening stock of packing materials	51	37
Add : Purchases	2,75	2,70
Less : Closing stock of packing materials	49	51
Cost of packing materials consumed	2,77	2,56
Total cost of materials consumed	53,92	49,13

Note 16 : Changes in inventories of finished goods, work-in-process and stock in trade

₹ in lakhs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock:		
Finished goods	2,77	1,23
Stock in trade	6	3,41
Work-in-process	40	-
Less: Closing Stock:		
Finished goods	2,33	2,77
Stock in trade	7	6
Work-in-process	35	40
(Increase) / decrease in inventories	47	1,42

Note 17 : Employee benefit expenses

₹ in lakhs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	7,77	7,00
Contribution to staff provident and other funds (Refer Note No. 25)	15	13
Staff welfare expenses	15	22
Gratuity expenses	20	30
Total employee benefit expenses	8,27	7,65

Note 18 : Finance cost

₹ in lakhs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Finance cost	1,16	77
Total Finance cost	1,16	77

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Note 19 : Other expenses

₹ in lakhs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	71	79
Power and fuel	71	65
Water charges	5	5
Repairs and maintenance		
- Buildings	18	12
- Plant & machinery	17	20
- Equipments	17	25
- Others	26	20
Security charges	7	7
ETP expenses	.*	.*
Laboratory and testing expenses	15	22
Rates and taxes	5	8
Provision for doubtful debts/ advances	30	1,90
Freight, forwarding and repacking charges	2,17	2,41
Legal and professional fees	1,03	1,26
Travelling and conveyance	1,01	1,07
Auditor's remuneration (Refer Note 2 below)	6	5
Loss on sale/ scrapping of assets	-	4
Loss on fair value of investments	.*	-
Communication expenses	14	15
Printing, postage and courier	31	30
Insurance	19	16
Commission on sales	25	46
Advertisement and sales promotion	15	14
Directors sitting fees	2	1
Penalties and fines	.*	.*
Sundry balances written off (net)	-	9
Other establishment expenses	78	76
Total other expenses	8,93	11,42

Note 1: * Amount is below the rounding off limits followed by the Company's norms.

Note 2: Auditor's remuneration comprises (net of goods and service tax/ service tax)

₹ in lakhs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
As an auditor	3	3
Tax audit	1	1
For other services	2	1
Total auditor's remuneration	6	5

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Note 20 : Income taxes

Income tax expenses recognised in the statement of Profit and Loss comprises of:

₹ in lakhs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current income tax	-	-
Deferred tax	-	-
Effective income tax rate (%)*	Nil	Nil

* Note: Due to the carried forward business and unabsorbed depreciation losses of past years, the taxable profit of the Company shall be set off against such losses. Hence, the effective tax rate is Nil.

Note 21 : Profit/ (loss) from discontinued operations

₹ in lakhs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Expenses		
Sundry balances written off (net)	-	(1)
Interest Paid	(18)	-
Penalties and fines	-	(6)
Total Profit/ (loss) from discontinued operations	(18)	(7)

Note 22 : Earnings per share

₹ in lakhs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit/ (loss) after tax from continuing operations (₹ in lakhs)	(98)	(165)
Profit/ (loss) after tax from discontinued operations (₹ in lakhs)	(18)	(7)
Profit after tax attributable to owners of the Company (₹ in lakhs)	(1,16)	(1,72)
Weighted average equity shares for the purpose of calculating		
Basic earnings per share (nos.)	2,43,25,600	2,43,25,600
Diluted earnings per share (nos.)	2,43,25,600	2,43,25,600
Basic earnings per share		
From continuing operations attributable to owners (₹)	(0.40)	(0.68)
From dis-continued operations attributable to owners (₹)	(0.07)	(0.03)
Total basic earnings per share attributable to owners (₹)	(0.47)	(0.71)
Diluted earnings per share		
From continuing operations attributable to owners (₹)	(0.40)	(0.68)
From dis-continued operations attributable to owners (₹)	(0.07)	(0.03)
Total basic earnings per share attributable to owners (₹)	(0.47)	(0.71)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Note 23 : Contingent liabilities and commitments
Contingent liabilities (to the extent not provided for)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Disputed income tax demand in appeal	14	270
Sales tax demand	23	23
Interest demand on service tax	-	3
Claims against the Company not acknowledged as debts	74	74
Disputed provident fund damages in appeal	49	-
Custom duty in the event of non-fulfilment of export obligations in respect of advance licenses availed	39	45
Total	1,99	4,15

Commitments

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Capital commitments		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances)	-	-
Other commitments		
Export obligations in respect of advance licenses availed	-	-

Note 24 : Financial instruments
(i) Capital management

For the purpose of the Company's capital management, equity includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company's capital management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholders' value. The Company is monitoring capital using debt-equity ratio as its base, which is debt to equity. The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of debt which includes borrowings, cash and cash equivalents including short term bank deposits, equity comprising issued capital, reserves and non-controlling interests. The gearing ratio for the year is as under:

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Debt (including borrowings from related and unrelated parties)	8,69	6,28
Less: Cash and cash equivalents including short term deposits	(55)	(51)
Net debt (A)	8,14	5,77
Total equity (B)	28,37	29,43
Net debt to equity ratio (A/B)	0.29	0.20

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
(ii) Categories of financial instruments

The carrying value of financial instruments by categories as of March 31, 2019 is as follows:

₹ in lakhs

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets :					
Cash and cash equivalents	50	-	-	50	50
Bank balance other than cash and cash equivalents	5	-	-	5	5
Investments	1	-	-	1	1
Trade receivables	19,60	-	-	19,60	19,60
Loans	16	-	-	16	16
Other financial assets	84	-	-	84	84
Total	21,16	-	-	21,16	21,16
Financial liabilities:					
Borrowings	8,18	-	-	8,18	8,18
Trade payables	18,37	-	-	18,37	18,37
Other financial liabilities	2,72	-	-	2,72	2,72
Total	29,27	-	-	29,27	29,27

The carrying value of financial instruments by categories as of March 31, 2018 is as follows:

₹ in lakhs

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets :					
Cash and cash equivalents	47	-	-	47	47
Bank balance other than cash and cash equivalents	4	-	-	4	4
Investments	1	-	-	1	1
Trade receivables	24,53	-	-	24,53	24,53
Loans	18	-	-	18	18
Other financial assets	87	-	-	87	87
Total	26,10	-	-	26,10	26,10
Financial liabilities:					
Borrowings	6,00	-	-	6,00	6,00
Trade payables	22,09	-	-	22,09	22,09
Other financial liabilities	2,41	-	-	2,41	2,41
Total	30,50	-	-	30,50	30,50

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Fair Value Hierarchy :

The fair value hierarchy is based on the inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels :

Level 1- Level 1 hierarchy includes financial instruments measured using quoted prices and mutual funds are measured using the closing net asset value (NAV)

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs are required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 – if one or more of the significant inputs is based on observable market data, the instrument is included in Level 3.

The fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2019 is as follows :

₹ in lakhs				
Particulars	Level 1	Level 2	Level 3	Total
Financial assets :				
At fair value through profit and loss				
Investment in equity shares	-*	-	-	-
Investment in optionally convertible debentures	-	-	1	1
Total	-*	-	1	1

Note: * Amount is below the rounding off limits followed by the Company's norms.

The fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2018 is as follows :

₹ in lakhs				
Particulars	Level 1	Level 2	Level 3	Total
Financial assets :				
At fair value through profit and loss				
Investment in equity shares	-*	-	-	-
Investment in optionally convertible debentures	-	-	1	1
Total	-*	-	1	1

Note: * Amount is below the rounding off limits followed by the Company's norms.

The fair value of the financial assets and liabilities are 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) Cash and cash equivalents, other bank balances, trade and other receivables, trade and other payables and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities or nature of these instruments.
- b) The fair value of Company's interest bearing borrowings are determined using amortised cost basis using a discount rate that reflects issuer's borrowing rate as at the end of reporting date.

(iii) Financial risk management objectives:

The Company's activities exposes it to a variety of financial risks viz. market risks, credit risks and liquidity risks. In order to manage the aforementioned risks, the Company has a risk management policy and a program that performs close monitoring of and responding to each risk factors.

a) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates and other market changes.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
1) Foreign currency risk:

Foreign currency risk mainly arises from transactions undertaken by an operating unit in currencies other than its functional currency. The carrying amount of Company's financial assets and financial liabilities denominated in foreign currencies at the reporting date are as follows :

Particulars	(in lakhs)	
	USD	₹
As at March 31, 2019		
Financial assets	13	8,98
Financial liabilities	-	-

5% appreciation/ depreciation of the respective foreign currencies with respect to the functional currency of the Company would result in decrease/ increase in the Company's profit before tax by approximately ₹44.40 lakhs for the year ended March 31, 2019.

Particulars	(in lakhs)	
	USD	₹
As at March 31, 2018		
Financial assets	14	9,10
Financial liabilities	-	-

5% appreciation/ depreciation of the respective foreign currencies with respect to the functional currency of the Company would result in decrease/ increase in the Company's profit before tax by approximately ₹ 46 lakhs for the year ended March 31, 2018.

2) 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 does not have significant floating interest rate borrowings during the year ended March 31, 2019 and March 31, 2018. Hence, the Company is not exposed to significant interest rate risk as at the respective reporting dates.

b) Credit risk:

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Company through continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

c) Liquidity risk:

The responsibility for liquidity risk management rests with the Board of Directors, which has an appropriate liquidity risk management framework for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by regularly monitoring forecast and actual cash flows.

The table below provides details regarding contractual maturities of significant financial liabilities as at March 31, 2019:

Particulars	₹ in lakhs			
	Within one year	One to five years	More than five years	Total
Financial instruments:				
Borrowings	51	5,23	2,95	8,69
Trade and other payables	18,37	-	-	18,37
Other financial liabilities	11	2,10	-	2,21
Total financial liabilities	18,99	7,33	2,95	29,27

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

The table below provides details regarding contractual maturities of significant financial liabilities as at March 31, 2018.

₹ in lakhs

Particulars	Within one year	One to five years	More than five years	Total
Financial instruments:				
Borrowings	28	6,00	-	6,28
Trade and other payables	22,09	-	-	22,09
Other financial liabilities	10	2,03	-	2,13
Total financial liabilities	22,47	8,03	-	30,50

Note 25 : Disclosure under Ind AS 19 on Employee Benefits as notified under Rule 3 of Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2015
I. Defined Contribution Plans:

The Company has recognised the following amounts in the Income Statement during the year under "Contribution to staff provident and other funds". (Refer Note No. 17)

₹ in lakhs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Employer's contribution to Provident Fund	15	13
Employer's contribution to Labour welfare fund	-	-
Employer's contribution to Employee State Insurance	-	-
Total	15	13

II. Defined benefit plans
A) Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the plan, qualifying employees are entitled to gratuity depending upon the number of years of service rendered by them subject to minimum specified number of years of service and the salary at time of retirement/ resignation.

a) Movements in present value of defined benefit obligation (DBO)

₹ in lakhs

Particulars	Gratuity March 31, 2019	Gratuity March 31, 2018
Obligations as at beginning of the year	1,29	81
Current service cost	12	9
Interest cost	8	5
Past service cost (Refer Note below)	-	16
Benefits paid	(6)	(7)
Actuarial (gain)/ loss on obligations	(4)	25
Present value of defined benefit obligation as at end of the year	1,39	1,29

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
b) Movements in the fair value of plan assets

₹ in lakhs

Particulars	Gratuity March 31, 2019	Gratuity March 31, 2018
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Return on plan assets excluding amounts included in interest income	-	-
Actuarial gain/ (loss) on plan assets	-	-
Contributions by employer	-	-
Benefits paid	-	-
Fair value of plan assets as at end of the year	-	-

c) Amount recognised in the Balance Sheet

₹ in lakhs

Particulars	Gratuity March 31, 2019	Gratuity March 31, 2018
Present value of defined benefit obligation as at end of the year	1,39	1,29
Fair value of plan assets as at end of the year	-	-
Net liability recognised in the Balance Sheet	1,39	1,29

d) Amounts recognised in the Statement of Profit & Loss

₹ in lakhs

Particulars	Gratuity March 31, 2019	Gratuity March 31, 2018
Current service cost	12	9
Past service cost	-	16
Interest cost	8	5
Expected return on plan assets	-	-
Total amounts recognised in the statement of Profit and Loss	20	30

e) Amounts recognised in other comprehensive income

₹ in lakhs

Particulars	Gratuity March 31, 2019	Gratuity March 31, 2018
Components of actuarial gain/ losses on obligations:		
Due to change in financial assumptions	1	(2)
Due to change in demographic assumptions	-	-
Due to change in experience adjustments	(5)	27
Return on plan assets excluding amounts included in interest income	-	-
Total	(4)	25

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
f) Sensitivity analysis

₹ in lakhs

Particulars	Gratuity March 31, 2019	Gratuity March 31, 2018
DBO On base assumptions		
A. Discount Rate		
1. Effect due to 0.5% increase in discount rate	1,36	1,26
2. Effect due to 0.5% decrease in discount rate	1,43	1,33
B. Salary Escalation Rate		
1. Effect due to 0.5% increase in salary escalation rate	1,43	1,33
2. Effect due to 0.5% decrease in salary escalation rate	1,36	1,26
C. Withdrawal Rate		
1. Effect due to 10 % (30%) increase in withdrawal rate	1,39	1,29
2. Effect due to 10 % (30%) decrease in withdrawal rate	1,39	1,29

g) Actuarial assumptions

Following are the principal actuarial assumptions used at Balance Sheet date:

₹ in lakhs

Particulars	Gratuity March 31, 2019	Gratuity March 31, 2018
Discount rate (per annum)	7.20%	7.30%
Expected return on plan assets	NA	NA
Withdrawal rate	6.00%	6.00%
Salary growth rate	7.00%	7.00%
Mortality rates	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)

B) Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits for measurement purpose. The Company's liability is actuarially determined by an independent actuary using the Projected Unit Credit Method at the end of each year. Actuarial losses/ gains are recognised in the statement of Profit and Loss in the year in which they arise.

a) Movements in present value of defined benefit obligation (DBO)

₹ in lakhs

Particulars	Compensated absences March 31, 2019	Compensated absences March 31, 2018
Obligations as at beginning of the year	48	33
Current service cost	6	5
Interest Cost	3	2
Past service cost	-	1
Benefits paid	(3)	(5)
Actuarial (gain)/ loss on obligations	(5)	12
Present value of defined benefit obligation as at end of the year	49	48

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
b) Movements in the fair value of plan assets

₹ in lakhs

Particulars	Compensated absences March 31, 2019	Compensated absences March 31, 2018
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Return on plan assets excluding amounts included in interest income	-	-
Actuarial gain/ (loss) on plan assets	-	-
Contributions by the employer	-	-
Benefits paid	-	-
Fair value of plan assets as at end of the year	-	-

c) Amount recognised in the Balance Sheet

₹ in lakhs

Particulars	Compensated absences March 31, 2019	Compensated absences March 31, 2018
Present value of defined benefit obligation as at end of the year	49	48
Fair value of plan assets as at end of the year	-	-
Net liability recognised in the Balance Sheet	49	48

d) Amounts recognised in the Statement of Profit & Loss

₹ in lakhs

Particulars	Compensated absences March 31, 2019	Compensated absences March 31, 2018
Current service cost	6	5
Past service cost	-	1
Interest cost	3	2
Expected return on plan assets	-	-
Total amounts recognized in the Statement of Profit & Loss	9	8

e) Amounts recognised in other comprehensive income

₹ in lakhs

Particulars	Compensated absences March 31, 2019	Compensated absences March 31, 2018
Components of actuarial gain/ losses on obligations:		
Due to change in financial assumptions	-*	(1)
Due to change in demographic assumptions	-	1
Due to change in experience adjustments	(6)	12
Return on plan assets excluding amounts included in interest income	-	-
Total	(6)	12

Note: * Amount is below the rounding off limits followed by the Company's norms.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
f) Sensitivity analysis

₹ in lakhs

Particulars	Compensated absences March 31, 2019	Compensated absences March 31, 2018
DBO On base assumptions		
A. Discount Rate		
1. Effect due to 0.5% increase in discount rate	48	46
2. Effect due to 0.5% decrease in discount rate	50	49
B. Salary Escalation Rate		
1. Effect due to 0.5% increase in salary escalation rate	50	49
2. Effect due to 0.5% decrease in salary escalation rate	48	46
C. Withdrawal Rate		
1. Effect due to 10% (30%) increase in withdrawal rate	49	47
2. Effect due to 10% (30%) decrease in withdrawal rate	49	48

g) Actuarial assumptions
Following are the principal actuarial assumptions used at Balance Sheet date:

Particulars	Compensated absences March 31, 2019	Compensated absences March 31, 2018
Discount rate (per annum)	7.20%	7.30%
Expected return on plan assets	NA	NA
Withdrawal rate	6.00%	6.00%
Salary growth rate	7.00%	7.00%
Mortality rates	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)
Leave availment rate	1.50%	1.50%
Leave encashment rate	0.00%	0.00%

Note 26 : Operating leases

The Company has taken office, factory spaces and warehouses under cancellable operating leases for periods ranging from 11 months to 3 years. Lease arrangements are usually renewable on mutually agreed terms and are cancellable by written notice.

₹ in lakhs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Future minimum lease payments are as follows:		
- not later than one year	38	67
- later than one year but not later than five years	17	26
- later than five years	-	-
Total	55	93

Note 27 : Segment reporting
Business Segment:

The Company operates in two segments viz. textile dyes and chemicals and electrical capacitors, however the segment reporting for electrical capacitors is not disclosed separately, as the same does not qualify for separate disclosure as per IND AS 108 on operating segments.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Note 28 : Deferred tax

Deferred tax asset on carry forward of unused tax losses and unused tax credits has not been recognised because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

Note 29 : Related party relationships, transactions and balances: (as per Ind AS 24)
a) Enterprises significantly influenced by the Key Managerial Personnel or their relatives

- i) Samudra Dye-chem Private Limited
- ii) Spiweld Chemtrade Private Limited
- iii) Textomax Chemicals Private Limited
- iv) Formost Chemicals Private Limited
- v) Chemron Texchem Private Limited
- vi) Asha Marine Products Private Limited
- vii) Emerald Capital Services Private Limited
- viii) Vindhya Priya Holdings Private Limited
- ix) Khatau Leasing and Finance Company Private Limited
- x) Prism Plantations Private Limited
- xi) Khatau Holding and Trading Company Private Limited
- xii) Prerana Leasing and Finvest Private Limited
- xiii) MKK Holdings Private Limited
- xiv) Priyanilgiri Holdings Private Limited
- xv) Refnol Resins and Chemicals Limited
- xvi) Priyamvada Holdings Limited (w.e.f April 1, 2017) (Associate till March 31, 2017)
- xvii) Orchard Acres

b) Key Managerial Personnel and their relatives:

- i) Mr. Mahendra K. Khatau (Chairman and Managing Director)
- ii) Mrs. Asha M. Khatau (Non-Executive Director and wife of Chairman)
- iii) Mr. Kailash Persad (Non-Executive Independent Director)
- iv) Mr. Bhalachandra G. Sontakke (Non-Executive Independent Director)
- v) Mr. Rajagopalan Sessa (Non-Executive Independent Director)
- vi) Mr. Manish M. Khatau (Whole -Time Director and son of Chairman)
- vii) Ms. Rupal B. Parikh (Chief Financial Officer)
- viii) Mr. Rajesh D. Pisal (Company Secretary)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
c) Details of transactions with related parties during the year

₹ in lakhs

Nature of transactions	Significantly influenced		Key Managerial Personnel and their relatives		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue from operations:						
Orchard Acres	14	12	-	-	14	12
Samudra Dye-chem Private Limited	-	-*	-	-	-	-*
Refnol Resins and Chemicals Limited	-	1	-	-	-	1
Spiweld Chemtrade Private Limited	-	-	-	-	-	-
Formost Chemicals Private Limited	-	-	-	-	-	-
Total	14	13	-	-	14	13
Purchase of goods						
Orchard Acres	3,23	4,69	-	-	3,23	4,69
Samudra Dye-chem Private Limited	-	6	-	-	-	6
Refnol Resins and Chemicals Limited	3,84	3,88	-	-	3,84	3,88
Textomax Chemicals Private Limited	-	1	-	-	-	1
Total	7,07	8,64	-	-	7,07	8,64
Income:						
Rent received						
Orchard Acres	1	1	-	-	1	1
Total	1	1	-	-	1	1
Directors' Sitting Fees:						
Mrs. Asha M. Khatau	-	-	-*	-*	-*	-*
Mr. Kailash Persad	-	-	-*	-*	-*	-*
Mr. B. G. Sontakke	-	-	-*	1	-*	1
Mr. S. Rajagopalan	-	-	-*	-*	-*	-*
Total	-	-	-*	1	-*	1
Managerial remuneration: #						
Mr. Mahendra K. Khatau	-	-	66	43	71	43
Mr. Manish M. Khatau	-	-	30	25	30	25
Ms. Rupal B. Parikh	-	-	16	9	16	9
Mr. Rajesh D. Pisal	-	-	12	9	12	9
Total	-	-	1,24	86	1,29	86
Expenses interest and purchase of advance licences						
Orchard Acres	22	14	-	-	22	14
Total	22	14	-	-	22	14

Note: * Amount is below the rounding off limits followed by the Company's norms.

does not include the amount payable towards gratuity and compensated absences by the Company, as the same is calculated for the Company as a whole on actuarial basis.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
d) Details of transactions with related parties during the year

₹ in lakhs

Nature of transactions	Significantly influenced		Key Managerial Personnel and their relatives		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Interest on borrowings:						
Prism Plantations Private Limited	2	-*	-	-	2	-*
Mr. Mahendra K. Khatau	-	-	22	24	22	24
Mrs. Asha M. Khatau	-	-	2	2	2	2
Mr. Manish M. Khatau	-	-	1	-	-	-
Total	2	-*	25	26	26	26
Loans taken during the year:						
Prism Plantations Private Limited	-	12	-	-	-	12
Mr. Mahendra K. Khatau	-	-	65	94	65	94
Mrs. Asha M. Khatau	-	-	15	-	15	-
Mr. Manish M. Khatau	-	-	45	-	45	-
Total	-	12	1,25	94	1,25	1,06
Loans repaid during the year:						
Prism Plantations Private Limited	-	-	-	-	-	-
Mr. Mahendra K. Khatau	-	-	2,51	40	2,51	40
Mrs. Asha M. Khatau	-	-	15	-	15	-
Mr. Manish M. Khatau	-	-	40	-	40	-
Total	-	-	3,06	40	3,06	40
Interest payable on delayed payment:						
Orchard Acres	21	14	-	-	21	14
Total	21	14	-	-	21	14

Note: * Amount is below the rounding off limits followed by the Company's norms.

e) Outstanding balances with related parties:

₹ in lakhs

Nature of transactions	Significantly influenced		Key Managerial Personnel and their relatives		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Trade receivables						
Spiweld Chemtrade Private Limited	24	24	-	-	24	24
Less: Allowances for credit losses	(2)	(1)	-	-	(2)	(1)
Net Amount receivable	22	23	-	-	22	23
Formost Chemicals Private Limited	10	10	-	-	10	10
Less: Allowances for credit losses	(1)	(1)	-	-	(1)	(1)
Net Amount receivable	9	9	-	-	9	9

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Nature of transactions	Significantly influenced		Key Managerial Personnel and their relatives		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Orchard Acres	-	14	-	-	-	14
Less: Allowances for credit losses	-	-	-	-	-	-
Net Amount receivable	-	14	-	-	-	14
Refnol Resins and Chemicals Limited	2	2	-	-	2	2
Less: Allowances for credit losses	.*	.*	-	-	.*	.*
Net Amount receivable	2	2	-	-	2	2
Samudra Dye-chem Private Limited	-	.*	-	-	-	.*
Less: Allowances for credit losses	-	-	-	-	-	-
Net Amount receivable	-	.*	-	-	-	.*
Total	33	48	-	-	33	48
Borrowings						
Prism Plantations Private Limited	12	12	-	-	12	12
Mr. Mahendra K. Khatau	-	-	38	2,24	38	2,24
Mrs. Asha M. Khatau	-	-	11	11	11	11
Mr. Manish M. Khatau	-	-	5	-	5	-
Total	12	12	54	2,35	66	2,47
Interest accrued and due on borrowings						
Prism Plantations Private Limited	1	.*	-	-	1	.*
Mr. Mahendra K. Khatau	-	-	1	5	1	5
Mrs. Asha M. Khatau	-	-	1	1	1	1
Mr. Manish M. Khatau	-	-	1	-	1	-
Total	1	.*	3	6	4	6
Investments in redeemable debentures						
Khatau Holding and Trading Company Private Limited	.*	.*	-	-	.*	.*
Priyamvada Holdings Limited	1	1	-	-	1	1
Total	1	1	-	-	1	1
Other Payables						
Mr. Mahendra K. Khatau	-	-	.*	4	.*	4
Mr. Manish M. Khatau	-	-	2	2	2	2
Total	-	-	2	6	2	6

Note: * Amount is below the rounding off limits followed by the Company's norms.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
f) Outstanding balances with related parties:

₹ in lakhs

Nature of transactions	Significantly influenced		Key Managerial Personnel and their relatives		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Loans given						
Asha Marine Products Private Limited	-*	-*	-	-	-*	-*
Total	-*	-*	-	-	-*	-*
Trade Payables						
Refinol Resins and Chemicals Limited	1,70	3,07	-	-	1,70	3,07
Textomax Chemicals Private Limited	1	1	-	-	1	1
Orchard Acres	2,20	2,46	-	-	2,20	2,46
Total	3,91	5,54	-	-	3,91	5,54
Advances given						
	-	-	-	-	-	-
Total	-	-	-	-	-	-
Advance received						
Orchard Acres	-	-*	-	-	-	-*
Samudra Dye-chem Private Limited	2	5	-	-	2	5
Total	2	5	-	-	2	5
Guarantees taken						
Mr. Mahendra K. Khatau	-	-	-	94	-	94
Total	-	-	-	94	-	94

Note: * Amount is below the rounding off limits followed by the Company's norms.

Note 30 : Expenditure on Corporate Social Responsibility (CSR)

In accordance with provisions of Section 198 of the Companies Act, 2013, the Company has incurred losses in the immediately preceding financial year. Hence, there is no amount required to be spent by the Company during the year towards Corporate Social Responsibility in terms of Section 135 of the Companies Act, 2013.

Note 31 : Managerial Remuneration

In view of inadequacy of profits of the year 2018-19 the total remuneration paid by the Company to its Directors including Managing Director (MD) was in accordance with the limits prescribed under section 197 read with Schedule V of the Companies Act, 2013.

As per our attached report of even date

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W/ W - 100036

For and on behalf of the Board of Directors
Manish Sampat

Partner

Membership No.: 101684

Mahendra K. Khatau

Chairman & Managing Director

DIN : 00062794

Manish M. Khatau

Director

DIN : 02952828

Place : Mumbai
Date : May 13, 2019
Rupal B. Parikh

Chief Financial Officer

Rajesh D. Pisal

Company Secretary

FORM NO. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Act) Rules, 2014]

CIN	L31300MH1964PLC013088
Name of the Company	Indokem Limited
Registered office	Plot No. 410 / 411, Khatau House, Mogul Lane, Mahim (West), Mumbai - 400 016

Name of the Members(s)	
Registered Address	
E-mail ID	
Folio No./ *Client ID No.	
*DP ID. No. (*Applicable for Members holding Shares in electronic form)	

I/We, being the holder(s) of ____ Share of the above mentioned Company, hereby appoint:

1. Name of the Person: _____ Address: _____
 _____ Email id: _____

Signature: _____ or failing him/her.

2. Name of the Person: _____ Address: _____
 _____ Email id: _____

Signature: _____ or failing him/her.

3. Name of the Person: _____ Address: _____
 _____ Email id: _____

Signature: _____ or failing him/her.

As my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 53rd Annual General Meeting of the Company, to be held on Monday, 30th September, 2019 at 3.00 P.M. at the registered office of the Company situated at Plot No. 410 / 411, Khatau House, Mogul Lane, Mahim (West), Mumbai - 400 016 and at any adjournment thereof in respect of such resolution as is indicated below:

Resolution No.	Matter of	For	Against
1.	To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 31st March, 2019, together with the Reports of the Board of Directors and the Auditors thereon.		
2.	To appoint a Director in place of Smt. Asha Mahendra Khatau, who retires by rotation at this Annual General Meeting and being eligible has offered herself for reappointment.		
3.	Approval for re-appointment of Shri Mahendra Kishore Khatau as Managing Director of the Company.		
4.	Approval for entering into Related Party Transactions.		

Signed this _____ day of _____, 2019

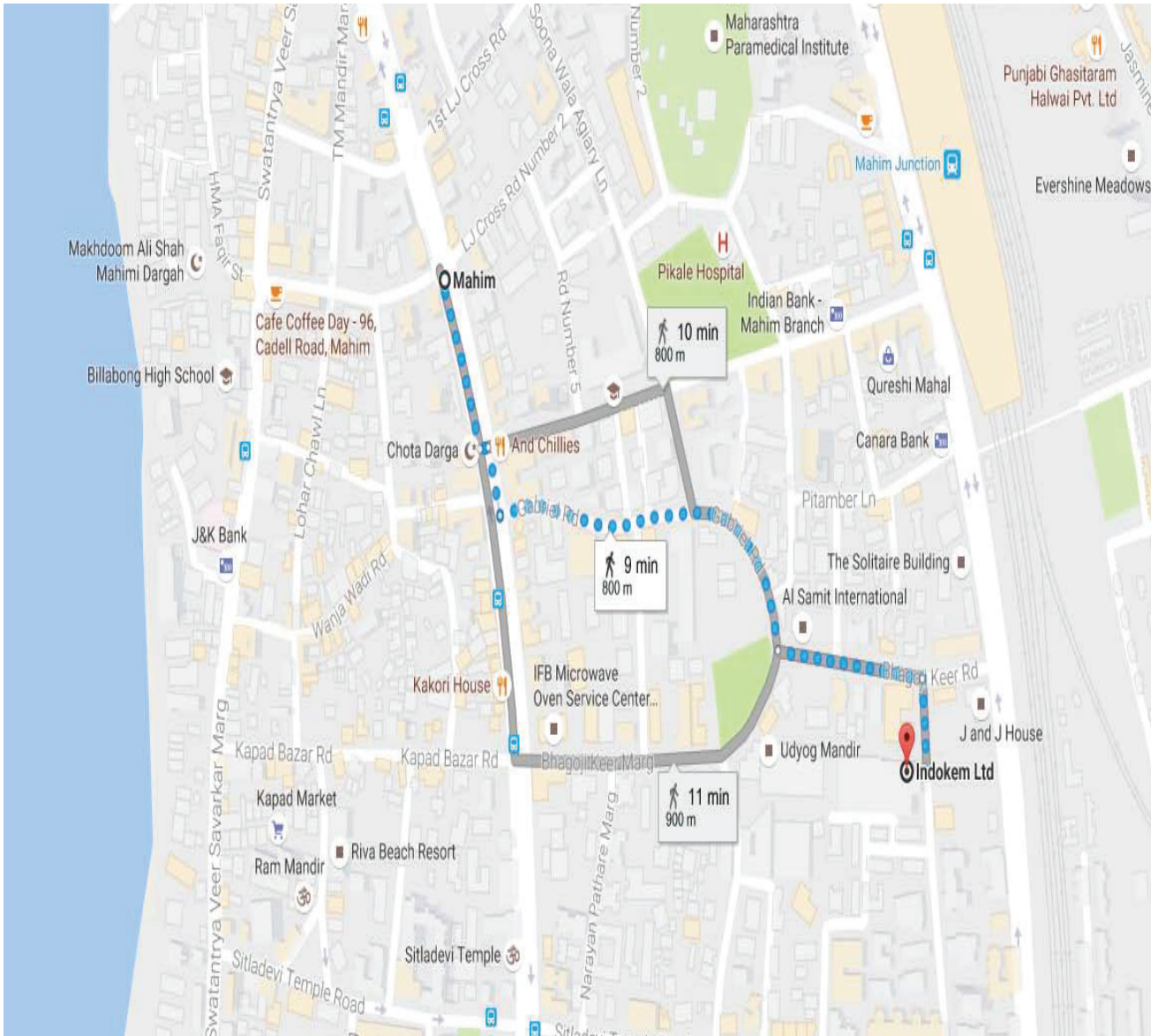
Signature of Shareholder(s): _____

Signature of Proxy Holder(s): _____

Affix Revenue Stamp of Re 1/-
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Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.

AGM VENUE ROUTE MAP



Address :
Plot No. 410/411,
Khatau House, Mogul Lane,
Mahim (West), Mumbai - 400 016



If undelivered please return to

Indokem Limited

Khatau House, Plot No.410/411, Mogul Lane, Mahim,
Mumbai - 400 016.