



IOL CHEMICALS AND PHARMACEUTICALS LIMITED

National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street Mumbai- 400 001
Security Symbol: IOLCP	Security Code: 524164

IOLCP/CGC/2019
30 July 2019

Sub: Annual Report for the Financial Year 2018-19

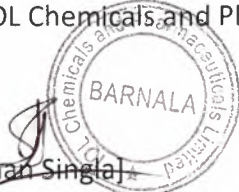
Dear Sir,

Pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the financial year 2018-19. The same is also available on the website of the Company at www.iolcp.com.

This is for your information and record please.

Thanking you,

Yours faithfully,
For IOL Chemicals and Pharmaceuticals Limited


[Krishan Singla]
Vice President & Company Secretary
Membership No.: A5584

32nd Annual Report
2018-2019



IOL Chemicals and Pharmaceuticals Limited

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Please visit our website: www.iolcp.com

Board of Directors

Mr Rajender Mohan Malla - *Chairman & Independent Director*
Mr Varinder Gupta - *Managing Director*
Mr Vijay Garg - *Joint Managing Director*
Mr Vikas Gupta - *Executive Director*
Mr Chandra Mohan - *Independent Director*
Dr (Mrs) Sandhya Mehta - *Independent Director*
Mr Harpal Singh - *Independent Director*

Chief Financial Officer

Mr Pardeep Kumar Khanna

Vice President & Company Secretary

Mr Krishan Singla

Statutory Auditors

M/s Ashwani & Associates,
Chartered Accountants,
Ludhiana

Cost Auditors

M/s Ramanath Iyer & Co.
Cost Accountants,
New Delhi

Bankers

Punjab National Bank
Allahabad Bank
Oriental Bank of Commerce
Export-Import Bank of India
State Bank of India

Registrar and Share Transfer Agents

Alankit Assignments Limited
(Unit: IOL Chemicals and Pharmaceuticals Limited)
1E/13, Jhandewalan Extension,
New Delhi-110055
Phone : +91-11-23541234,42541234
Fax : +91-11-41543474
E-mail : rta@alankit.com

Board's Committees

Audit and Risk Management Committee

Mr Harpal Singh - *Chairman*
Mr Chandra Mohan
Dr (Mrs) Sandhya Mehta
Mr Vijay Garg

Stakeholders' Relationship Committee

Dr (Mrs) Sandhya Mehta - *Chairman*
Mr Varinder Gupta
Mr Vikas Gupta

Nomination and Remuneration Committee

Mr Chandra Mohan - *Chairman*
Mr Rajender Mohan Malla
Dr (Mrs) Sandhya Mehta

Registered Office :

Trident Complex, Raikot Road,
Barnala – 148 101 (Punjab)
Phone :+91-1679 - 244701-07
Fax :+91-1679 - 244708
E-mail : contact@iolcp.com

Corporate Office :

85, Industrial Area, 'A'
Ludhiana – 141 003
Phone :+91-161 - 2225531-35
Fax :+91-161 - 2608784
E-mail : contact@iolcp.com

Works :

Village Fatehgarh Chhana,
Mansa Road, Barnala - 148101
Phone :+91-1679 - 285285-86
Fax :+91-1679 - 285292
E-mail : contact@iolcp.com

Members are requested to intimate their e-mail id for quick correspondence to the **Depository Participants / rta@alankit.com or register at <http://www.iolcp.com/registration.html>**

NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting of the members of IOL Chemicals and Pharmaceuticals Limited (CIN: L24116PB1986PLC007030) will be held on **Thursday, 29 August 2019 at 11:00AM** at the Registered Office of the Company; Trident Complex, Raikot Road, Barnala, Punjab to transact the following business:

Ordinary Business:

1. To consider and adopt the audited financial statements of the Company for the financial year ended 31 March 2019 and the reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolutions as **Ordinary Resolutions**:

“RESOLVED that the audited financial statements of the Company for the financial year ended 31 March 2019 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To appoint Mr Vikas Gupta, who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr Vikas Gupta (DIN 07198109), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

3. **Re-appointment of Mr Chandra Mohan as an Independent Director of the Company**

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

“RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mr Chandra Mohan (DIN: 00017621), who was appointed as an Independent Director of the Company for a term of five years up to 32nd Annual General Meeting, by the members at the 27th Annual General Meeting held on 30 September 2014, in terms of Section 149 of the Companies Act, 2013, who has attained the age of seventy five years, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years from conclusion of this Annual General Meeting till the conclusion of 37th Annual General Meeting not liable to retire by rotation.”

“RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

4. **Re-appointment of Dr (Mrs) Sandhya Mehta as an Independent Director of the Company**

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

“RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in

force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Dr (Mrs) Sandhya Mehta (DIN: 06954964), who was appointed as an Independent Director of the Company for a term of five years up to 21 August 2019, by the members at the 27th Annual General Meeting held on 30 September 2014, in terms of Section 149 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from 22 August 2019 up to 21 August 2024, not liable to retire by rotation.”

“RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. **Approval of Remuneration to the Cost Auditor for the financial year ending 31 March 2020**

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

“RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, and such other permissions as may be necessary, the members hereby approve the remuneration of ₹ 1,32,000/- plus goods and service tax and out-of-pocket expenses payable to M/s Ramanath Iyer & Co., Cost Accountants, New Delhi, who are appointed by the Board of Directors of the Company as Cost Auditors to conduct audit of the Cost Accounting records maintained by the Company in respect of bulk drugs and chemicals for the financial year ending 31 March 2020.”

“RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. **Approval of related party transactions entered with Towel Enterprises Limited**

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

“RESOLVED that pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, consent of the Members be and is hereby accorded for ratification of material related party arrangements/ transactions for purchase of goods and services, entered between the Company and Towel Enterprises Limited, related party under SEBI Listing Regulations, for an amount of ₹ 119.30 crore during the period 2018-19 at arm’s length basis and in the ordinary course of business .”

“RESOLVED FURTHER that the Board of Directors (the “Board”) and/or any Committee constituted by the Board be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all acts, deeds, matters and things as may be deemed necessary, proper and desirable for the aforesaid purpose.”

7. **Approval of related party transactions entered / to be entered with Vivachem Intermediates Private Limited**

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

“RESOLVED that pursuant to the provisions of Sections 185, 188 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and Regulation 23 of the Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, approval of the Members of the Company be and is hereby given to material related party arrangements/ transactions for giving advance of ₹ 20 crore against purchase of raw material and sale/purchase of goods with Vivachem Intermediates Private Limited, a related party within the meaning of Section 2(76) of the Act, upto maximum aggregate value of ₹ 500 crore during the financial year 2019-20 at arm’s length basis and in the ordinary course of business.”

“RESOLVED FURTHER that the Board of Directors (the “Board”) and/or any Committee constituted by the Board be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all acts, deeds, matters and things as may be deemed necessary, proper and desirable for aforesaid purpose.”

By order of the Board
For IOL Chemicals and Pharmaceuticals Limited

Registered Office:

Trident Complex, Raikot Road, Sd/-
Barnala-148 101 (Punjab) [Krishan Singla]
Dated : 29 May 2019 Vice President & Company Secretary

IMPORTANT NOTES:

- 1) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at Annual General Meeting (AGM) is annexed hereto.
- 2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
- 3) The Register of Members and Share Transfer Books will remain closed from **23 August 2019 to 29 August 2019** for the purpose of the Annual General Meeting.
- 4) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- 5) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- 6) The Notice of AGM and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered

with the Company or the Depository Participant(s) and to other members at their registered address through permitted mode. Members are requested to submit a duly filled in Attendance Slip at the registration counter to attend the AGM. Notice of AGM is also available on the Company’s website www.iolcp.com

- 7) Members may also note that Annual Report is available on the Company’s website www.iolcp.com for their download. 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 free of cost. For any communication, the members may also send requests to the Company’s investor email id: investor@iolcp.com
- 8) **Voting through electronic means**
 - (i) The voting period begins on **25 August 2019 from 9:00 AM and ends on 28 August 2019 at 5:00 PM**. During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **22 August 2019** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Members who have already e-voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The members should log on to e-voting website **www.evotingindia.com**.
 - (iv) Click on “**Shareholders**” tab
 - (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.evotingindia.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 Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. <p>Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</p>



	For Members holding shares in Demat Form and Physical Form
Dividend Bank Details OR Date of Birth (DOB)	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. <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 (v).

- (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 CDSL 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 i.e. 190710007** for the IOL Chemicals and Pharmaceuticals Limited 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 out print of the voting done by you by clicking on **“Click here to print”** option on the voting page.
- (xviii) If Demat account holder has forgotten the changed 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) Members can also cast their vote using CDSL’s mobile app **m-Voting** available for android, Apple and Windows based mobiles. The m-Voting app can be downloaded from Google Play Store, 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 Members and Custodians
 - Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on

to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice and holding shares as on cut-off date i.e. 22 August 2019 may follow the same instructions as mentioned above for e-voting.
 - (xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com
- 9) The Company has appointed **Mr Vinay Kohli partner, M/s. K.K. Kapoor & Associates, Chartered Accountants** as scrutinizer for conducting the e-voting process in fair and transparent manner and he will submit his report to the Chairman within 3 days of conclusion of voting.
 - 10) Members who are holding shares in identical order of names under more than one folio are requested to send the relative share certificates to the RTA for consolidation of the entire holding under one folio.
 - 11) All activities for transfer of shares, dematerialization of shares, change of address etc. are carried out by the Company through its Registrar and Share Transfer Agents (RTA). Members are requested to make their requests to RTA at the following address: **Alankit Assignments Limited “Alankit Heights”, 1E/13, Jhandewalan Extension, New Delhi-110 055**
 - 12) Documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days, except holidays, between 11:00 AM to 1:00 PM.
 - 13) Members desiring any information on items of Agenda are requested to write to the Company at its Registered Office at least ten days before the date of the AGM so as enable the Management to keep the information ready.
 - 14) Members are requested to:
 - a) Notify the change of address with pin code, to ensure quick delivery of letters and quote their folio/client ID & DP ID in all correspondence.
 - b) Complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
 - c) **Members are requested to intimate their e-mail id for quick correspondence to the Depository Participants / rta@alankit.com or register on Company’s website at the link <http://www.iolcp.com/registration.html>**

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 3 & 4

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, the tenure of Mr Chandra Mohan and Dr (Mrs) Sandhya Mehta as independent directors will expire on the conclusion of ensuing Annual General Meeting and 21 August 2019 respectively.

As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment for another term of upto five years, on passing of a special resolution by shareholders.

As per Regulation 17(1A) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred as SEBI Listing Regulations), no listed company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless it is approved by the members by passing a special resolution. Mr Chandra Mohan has attained the age of seventy five years and hence his re-appointment will require the approval of members by way of a special resolution also under above regulation.

The Company has received intimation in Form DIR-8 from them that they are not disqualified from being re-appointed as Independent Directors under Section 164 of the Act and declaration that they meet the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI Listing Regulations and their consent to continue as Independent Directors.

The Company has received notice in writing from the members proposing their candidature for office of Director pursuant to Section 160 of the Companies Act, 2013.

The Board, based on the evaluation of Independent Directors and as per the recommendation of the Nomination & Remuneration Committee, considers that, given their background and experience and contribution made by them during their tenure, the continued association of Mr Chandra Mohan and Dr (Mrs) Sandhya Mehta would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors.

The details of Mr Chandra Mohan and Dr (Mrs) Sandhya Mehta, Directors, being re-appointed as Independent Directors, pursuant to Regulation 36 of the SEBI Listing Regulations are enclosed with the notice of the meeting.

Copy of the letters for re-appointment of Mr Chandra Mohan and Dr (Mrs) Sandhya Mehta as Independent Directors setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Mr Chandra Mohan and Dr (Mrs) Sandhya Mehta, to whom the resolutions relates, is, in any way, concerned or interested, financially or otherwise, in the resolutions.

The Board recommends the Special Resolutions set out at item no 3 and 4 of the notice for approval of the members.

Item No. 5

The Board in its meeting held on 29 May 2019 on the recommendation of the Audit and Risk Management Committee, approved the appointment and remuneration of M/s Ramanath Iyer & Co., Cost Accountants, New Delhi to conduct the audit of the cost accounting records maintained by the Company in respect of chemicals and bulk drugs for the financial year ending 31 March 2020 at remuneration of ₹ 1,32,000/- plus goods and service tax and out-of-pocket expenses subject to the approval of the members.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, approval for the remuneration payable to the Cost Auditors for the financial year 2019-20 is being sought from the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolution.

On the recommendation of the Audit and Risk Management Committee, the Board recommends the passing of resolution set out at Item No. 5 of this Notice as an Ordinary Resolution.

Item No. 6

Your Company is principally engaged in the manufacture and sale of various APIs and speciality chemicals. In the course of its business operations, your Company engages in transactions with related party, Towels Enterprises Limited for purchase of goods and services at arm's length basis. As per Regulation 23 of the SEBI Listing Regulations, all material related party transactions, that is to say, transactions by a listed entity with a related party if entered individually or taken together with previous transactions during a financial year, exceeding 10 per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, shall require approval of the members by an ordinary resolution.

The particulars of the transactions entered into with Towel Enterprises Limited are as follows:

1. Name of the Related Party and relationship: Towel Enterprises Limited
2. Name of the Directors / Key managerial Personnel who is related: Mr Varinder Gupta, Managing Director and Mr Vikas Gupta, Executive Director
3. Nature of relationship: Their relatives are controlling Towel Enterprises Limited
4. Nature, material terms and particulars of the arrangement: Contract for the purchase of goods and services on continue basis. Monetary value of transactions done during financial year 2018-19 was ₹ 119.30 crore.
5. Any other information relevant or important for the members to make a decision on the proposed transaction: None.

Member's approval is sought for the aforesaid material related party transactions entered in the financial year 2018-2019.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Mr Varinder Gupta, Managing Director and Mr Vikas Gupta, Executive Director is concerned or interested, financially or otherwise, in the resolution.

On the recommendation of the Audit and Risk Management Committee, the Board recommends the passing of resolution set out at Item No. 6 of this Notice as an Ordinary Resolution.

Item No. 7

The Company is principally engaged in the manufacture and sale of various APIs and speciality chemicals. In the course of its business operations, your Company engages in transactions with related party, Vivachem Intermediates Private Limited ("Vivachem") for sale / purchase of goods at arms lengths basis.

Section 188 of the Companies Act, 2013 ("Act") and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company. Section 185 of the Act provides for approval of Company by special resolution for giving of any loan to any person in whom any of the director of the Company is interested.



The value of proposed aggregate transactions with Vivachem is likely to exceed the said threshold limit, and is expected to be around ₹ 500 crore during the financial year 2019-20. Accordingly, transaction(s) entered into with Vivachem comes within the meaning of related party transaction(s) in terms of provisions of the Act, applicable Rules framed thereunder read with the SEBI Listing Regulations.

Hence, approval of the shareholders is being sought for the said related party transaction(s) entered / proposed to be entered into by your Company with Vivachem in the financial year 2019-20.

Particulars required under Section 188 of the Companies Act, 2013 and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 is given below:

1. Name of the Related Party and relationship : Vivachem Intermediates Private Limited
2. Name of the Directors / Key managerial Personnel who is related: Mr Vijay Garg, Joint Managing Director
3. Nature of relationship: Mr Vijay Garg and his relatives are controlling Vivachem Intermediates Private Limited.
4. Nature, material terms and particulars of the arrangement : Contract for the sale / purchase of goods on continue basis. Monetary value of proposed transactions during financial year 2019-20 is expected to ₹ 500 crore and contract includes providing of advance of ₹ 20 crore against purchases which will be adjusted with in one year of its disbursement.
5. Any other information relevant or important for the members to make a decision on the proposed transaction: None.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Mr Vijay Garg, Joint Managing Director is, in any way, concerned or interested, financially or otherwise, in the resolution.

On the recommendation of the Audit and Risk Management Committee, the Board recommends the passing of resolution set out at Item No. 7 of this Notice as Special Resolution.

Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the directors seeking re-appointment at the Annual General Meeting.

Name of the Director	Mr Vikas Gupta	Mr Chandra Mohan	Dr (Mrs) Sandhya Mehta
Date of Birth	13 February 1992	30 December 1932	25 March 1968
Date of Appointment	29 May 2015	30 September 2014	22 August 2014
Expertise in specific functional area	Business Management	Management, Administration, Operation, Finance and Marketing	Management
Total experience	6 year	More than 50 years	27 years
Present profession	Executive Director	Consultant	Deputy Director in Guru Nanak Institute of Management and Technology, Ludhiana
Qualification	BSc. (Hons.) in Business Management from Kings College London	BA (Hons), B.Sc. in Mechanical Engineering	MBA and Ph.D in Management Studies
Directorships in other listed companies	Nil	Winsome Textile Industries Ltd	Nil
Chairmanship of Board Committees of other listed companies	Nil	Audit Committee Winsome Textile Industries Ltd	Nil
Membership of Board Committees of other listed companies	Nil	Nil	Nil
No of shares held	Nil	Nil	Nil
Relationship with other directors	Son of Mr Varinder Gupta, Managing Director	Not related to any other director	Not related to any other director

By order of the Board
For IOL Chemicals and Pharmaceuticals Limited

Registered Office:

Trident Complex, Raikot Road,
Barnala-148 101 (Punjab)

Place : Barnala
Dated : 29 May 2019

Sd/-
[Krishan Singla]
Vice President & Company Secretary

Members are requested to intimate their e-mail id for quick correspondence to the **Depository Participants / rta@alankit.com or register at http://www.iolcp.com/registration.html**

DIRECTORS' REPORT**Dear Members**

The Board of Directors hereby submits the report of the business and operations of the Company for the financial year ended 31 March 2019.

1 Financial Results:

Financial results of the Company for the financial year under report are summarised hereunder:

(₹ crore)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018	% increase /(decrease)
Total income	1695.70	1007.29	68
Profit before interest & depreciation	420.02	125.86	234
Interest	51.42	64.35	(20)
Profit before depreciation	368.60	61.51	499
Depreciation	32.45	30.21	7
Profit before tax	336.15	31.30	974
Provision for tax (including deferred tax)	99.45	3.60	2663
Profit after tax	236.70	27.70	754

Further details of operations are given in the Management Discussion and Analysis Report, which forms part of this report.

2 Share Capital and Issue of warrants

The authorised Capital has been reclassified from ₹ 80,00,00,000/- (Rupees eighty crore) divided into 2,20,00,000 (Two crore twenty lakh) Preference Shares of ₹ 10/- (Rupees ten) each and 5,80,00,000 (Five crore eighty lakh) Equity Shares of ₹ 10/- (Rupees ten) each to ₹ 80,00,00,000/- (Rupees eighty crore) divided into 8,00,00,000 (Eight crore) Equity Shares of ₹ 10/- (Rupees ten) each

During the year the Company has issued 25,00,000 (Twenty five lakh) warrants at a price on ₹205/- (Rupees two hundred five) per warrant on preferential basis to Towels Enterprises Limited, a promoter company on partially conversion of unsecured loan into warrants with an option to subscribe to an equity share of face value of ₹10/- (Rupees ten) at a price of ₹ 205/- (Rupees two hundred five) per equity share including premium of ₹195/- (Rupees one hundred ninety five) per share for each warrant within the period of eighteen months from the date of allotment of warrant i.e. from 30 March 2019. Out of these warrants, the Company on 30 March 2019 has converted 6,82,000 (Six lakh eighty two thousand) warrants into equity shares.

The paid up equity share capital of the Company has been increased to ₹ 56,88,75,020/- (Rupees fifty six crore eighty eight lakh seventy five thousand and twenty) consisting of 5,68,87,502 (Five crore sixty eight lakh eighty seven thousand five hundred two) equity shares of ₹ 10/- each on allotment of aforesaid 6,82,000 (Six lakh eighty two thousand) equity shares. The amount raised through the issue of preferential issue of warrants /equity shares has been utilised in expansion of projects and to meet working capital requirements.

3 Holding & Subsidiary Company

The Company has neither any holding company nor a subsidiary company.

4 Internal financial control systems and their adequacy

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis Report, which forms part of this report.

5 Loan, guarantees or investment under Section 186 of the Companies Act, 2013

The particulars of loans, guarantees and investments have been provided in the notes of the financial statements.

6 Expansion schemes

During the year the Company has enhanced installed capacity of Metformin from 3,000 TPA to 4,000 TPA with a capex of ₹ 2.71 crore. The Company has also successfully set up unit V to manufacture Clopidogrel Bisulphate & Fenofibrate with a capacity of 180 MT per annum with capex of ₹19.26 crore. The Company has further enhanced existing manufacturing facilities of Ibuprofen from 10,000 TPA to 12,000 TPA and Iso Butyl Benzene from 9,000 TPA to 12,000 TPA in May 2019 with capex of ₹ 12.10 crore. All capex was funded through internal accruals.

7 Research and Development

R&D has enabled your company to produce technology-intensive APIs and intermediates with expanding product portfolio. The company's R&D strength is in developing processes for APIs and intermediates with substantial backward integration to minimize its dependency on external forces and to be a leader in highly competitive world of generic APIs. Currently, company has six APIs in its pipeline wherein R&D work has been completed and processes are ready for scale up/commercial trials. Going forward, the company's R&D is targeting to develop at-least 5-6 APIs every year including developing its KSMs. The Company is planning to step up its R&D resources in terms of man power and infrastructure which will enable Company to give high throughput in terms of processes developed. R&D strictly works on principles of Green Chemistry for all its endeavours to develop processes for APIs, Intermediates & KSMs. Our approach is towards non-classical Chemistry and chemical reactions which gives upper edge in terms of product profitability & zero environment impact.

8 Dividend

The Board of Directors has not recommended any dividend so as to conserve the resources to use in new projects and prepayment of dues to the Banks.

9 Credit Rating

The CARE Ratings Limited (CARE) has upgraded the credit rating for Long term Bank Facilities to 'CARE BBB+ ' (Triple B Plus; Outlook: Stable) from 'CARE BBB- (Triple B minus; Outlook: Stable) and the credit rating for Short term Bank Facilities to 'CARE A2'(A Two) from 'CARE A3 ' (A Three).

10 Directors and Key Managerial Personnel

The Board has appointed Mr Rajender Mohan Malla and Mr Harpal Singh as Independent Directors of the Company for the period of three years with effect from 06 February 2019 on the recommendation of Nomination and Remuneration Committee. The members of the Company in its Extra-Ordinary General Meeting held on 13 March 2019 have approved their appointment



as Independent Directors of the Company. Mr Rajender Mohan Malla was also appointed Chairman of the Board of Directors and member of Nomination and Remuneration Committee. Mr Harpal Singh was also appointed Chairman of Audit and Risk Management Committee.

The Board has re-appointed Mr Varinder Gupta as Managing Director for the period of five years with effect from 01 September 2018 on the recommendation of Nomination and Remuneration Committee. Members of the Company in its Annual General Meeting held on 29 September 2018 have approved his re-appointment as Managing Director.

The Board has re-appointed Mr Vijay Garg as Joint Managing Director for the period of three years with effect from 02 March 2019, liable to retire by rotation, on the recommendation of Nomination and Remuneration Committee. Members of the Company in its Extra-Ordinary General Meeting held on 13 March 2019 have approved his re-appointment as Joint Managing Director.

Mr Vikas Gupta, Executive Director retires by rotation at the Annual General Meeting and, being eligible, has offered himself for re-appointment. The Board has recommend his re-appointment.

The first term of office of Mr Chandra Mohan and Dr (Mrs) Sandhya Mehta as Independent Directors expires at the ensuing Annual General Meeting and on 21 August 2019 respectively.

The Board has recommended re-appointment of Mr Chandra Mohan and Dr (Mrs) Sandhya Mehta as Independent Director for a second term of five consecutive years.

During the year, the Board noted the sad demise of Dr M A Zahir, Chairman and independent director of the company on 8 November 2018 and places on record its appreciation for the services rendered by him during his tenure.

11 Woman director

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), Dr (Mrs) Sandhya Mehta has been serving as independent woman director on the Board of the Company. She is also Chairman of Stakeholders Relationship Committee, member of Audit and Risk Management Committee and Nomination and Remuneration Committee.

12 Board Evaluation

Pursuant to the provisions of Companies Act, 2013 and SEBI Listing Regulations, the annual evaluation has been carried out by the Board of its own performance and that of its Committees and individual Directors by way of individual and collective feedback from Directors. The Directors expressed their satisfaction with the evaluation process.

13 Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and fixation of their remuneration. The Remuneration Policy can be viewed on the company's website www.iolcp.com.

14 Meetings

During the year five Board Meetings and four Audit and Risk Management Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

15 Directors' Responsibility Statement

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

- that in the preparation of the annual financial statements for the year ended 31 March 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in Note 1 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the year and of the profit of the Company for that year;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively

16 Declaration by Independent Directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations.

17 Corporate Governance

The Company has in place a system of Corporate Governance. A separate report on Corporate Governance alongwith Auditors' Certificate regarding compliance of conditions of corporate governance set out by the SEBI Listing Regulations is annexed to this Annual Report.

18 Audit and Risk Management Committee

The Composition and role of the Committee has been provided in the Corporate Governance Report annexed with the report.

19 Risk management

The Board has formed Audit and Risk Management Committee inter alia to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. It has been covered in the Management Discussion and Analysis Report, which forms part of this report.

20 Related Party Transactions

All Related Party Transactions that were entered into during the financial year were on arm's length and were in the ordinary course of business. During the year, the Company had entered into contract / arrangement / transaction with related parties which

could be considered material in accordance with the provisions of Policy on materiality of and dealing with Related Party Transactions. The disclosures of related party transactions are provided in notes to financial statements.

The Company has formulated a Policy on materiality of and dealing with Related Party Transactions. The policy is available on the Company's website www.iolcp.com.

21 Fixed Deposits

The Company has not accepted any fixed deposits from the public/members during the year under review.

22 Investor Services

The Company is committed to provide its best services to the shareholders/ investors. **M/s Alankit Assignments Limited, New Delhi** is working as Registrars and Share Transfer Agents (RTA) of the Company for transfer, dematerialization of shares and other investor related services. No correspondence /enquiry from any shareholder/ investor is pending with the Company for reply.

23 Listing of Shares

The equity shares of the Company continued to be listed and traded on National Stock Exchange of India Limited (Script Symbol; IOLCP) and BSE Limited (Script code; 524164). The Company has made all compliances of the SEBI Listing Regulations including payment of annual listing fee.

24 Energy Conservation / Technology Absorption and Foreign Exchange Earnings and Outgo

Energy conservation continues to be an area of major emphasis in the Company. A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed hereto as **Annexure I** and forms part of the Report.

25 Statutory Auditors

The members of the Company in its Annual General Meeting held on 29 September 2018 had approved the appointment of M/s Ashwani & Associates, Chartered Accountants, Ludhiana, Registration No: 000497N as Statutory Auditors of the Company for a term of five consecutive years, from conclusion of 31st Annual General Meeting until conclusion of the 36th Annual General Meeting of the Company. The Auditors have given unmodified report.

26 Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s B. K. Gupta & Associates, practicing Company Secretary for conducting secretarial audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure II**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

27 Cost Auditors

Pursuant to the provisions of Section 148 of Companies Act, 2013, the Board of Directors on recommendation of Audit and Risk Management Committee has re-appointed M/s Ramanath Iyer & Co., Cost Accountants, New Delhi as Cost Auditor to conduct the audit of cost accounts of bulk drugs and chemicals made and maintained by the Company for the financial year 2019-20,

subject to determination of their remuneration by members of the Company thereto.

The Cost Audit Report for the year ended 31 March 2018 has been filed on 30 August 2018 with Ministry of Corporate Affairs, New Delhi.

28 Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure III**.

29 Industrial Relations

Industrial relations remained cordial and harmonious throughout the year under review.

30 Safety, Health and Environment

Safety is Company's top priority with regard to employment and it is encouraging safety measures at all levels of operations especially at the floor level. Regular training programmers are being conducted to bring in awareness of safety at work place.

31 Prevention of Sexual Harassment Policy

In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has set up Complaints Committees at its workplace. No complaints have been received during the year 2018-19.

32 Vigil Mechanism

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy can be accessed at company's website: www.iolcp.com.

33 Particulars of managerial remuneration and related disclosures

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report, which forms part of this Report.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report, which forms part of this Report.

Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary in this regard.

34 Corporate Social Responsibility (CSR) Policy and Initiatives

The Board has constituted a CSR Committee comprising of Mr Varinder Gupta as Chairman and Dr (Mrs) Sandhya Mehta, Mr Vijay Garg and Mr Vikas Gupta Directors as its members. The CSR Policy is stated on the company's website: www.iolcp.com. Annual report on CSR activities is not enclosed as average net profits of the Company made during the three immediately preceding financial years is negative.



35 GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Change in the nature of business of the Company.
3. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. No fraud has been reported by the Auditors to the Audit and Risk Management Committee or the Board.

36 Acknowledgement

The Directors wish to place on record their appreciation of the continuous support received by the Company from the investors, Bankers, Central/State Government Departments, its Customers and Suppliers.

We also place on record our sincere appreciation of the contribution made by the employees at all levels. Our consistent growth is made possible by their devout, sincere and unstinted services.

For and on behalf of the Board

Place : Barnala	Sd/ Varinder Gupta	Sd/- Rajender Mohan Malla
Dated : 29 May 2019	Managing Director DIN-00044068	Chairman DIN-00136657

ANNEXURE I TO THE DIRECTORS' REPORT

Information as per Section 134(3)(m) of the Companies Act, 2013 ("the Act") read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31 March 2019.

I CONSERVATION OF ENERGY**1. Step taken or impact on conservation of energy;**

- a) To utilize the waste heat from the flue gas of the 15 TPH by introducing the heat recovery system (Economizer), we have increased the efficiency of the boiler in terms of steam to fuel ratio from 3.5 to 5, secondly the capacity of the boiler has been increased from 15 TPH to 18 TPH. In the process of modification we have also managed the best environmental parameters SPM less than 100 Mg/nm³ by introducing Bag filters.
- b) Only by introducing in house arrangement of ID fan at 32 TPH boiler the capacity of boiler has been increased by 2 TPH, moreover the boiler pressure sustainability has also been increased.
- c) Modification in fuel lines and arranging the process parameters in controlled condition, we have managed to run the 32 TPH boiler on one PA fan instead of two nos.
- d) Power factor improved from .91 to .92 Kvar by introducing new capacitor banks, due to this electrical load on cables has been decreased and due to this proper voltage level of motors are maintained.
- e) Cyclic timers have been introduced on the Electric vibrators to save the power and maintenance cost of mech hoppers and increase the equipment life.
- f) By introducing special starters on the Motors of the heavy duty coal lifting cranes so that heavy jerks will not be applied on the motors and Power saving in terms of no load condition of the heavy crane when it comes down in empty condition, this starters helps in reducing the burning of motors also.

2. Step taken by Company for utilizing alternate sources of energy

We have not used any alternative source of energy but we have maintained and increased the quantity of biomass in our boiler so that renewable source energy has been consumed to save environment by reducing carbon in the atmosphere.

3. Capital investment on energy conservation equipment's

No major capital investments have been made during the financial year ended 31 March 2019.

II TECHNOLOGY ABSORPTION**1. Efforts made towards technology absorption**

The Company has taken various steps in its Research and Development centre, the mains are as follows:

- a) R&D team is working on different verticals on development of APIs, Pharmaceuticals intermediates, Bulk & specialty chemicals and CRAMS molecules with Green Chemistry principles so as to have environment friendly processes for all products.
- b) R&D team is also working on chemical routes whereby it will have minimum dependency on Chinese market for its raw materials & intermediates.
- c) Work on development of APIs with idea of filing dossier with US & European regulatory agencies with view to explore US and Europe market for all new APIs.
- d) Trouble shooting & further cost cutting in existing commercialized products for improved profitability and reduced waste in form of by-products.
- e) Conversion of by-products to value added products.

2. Benefits derived like product improvement, cost reduction, product development or import substitution

- a) R&D has developed multiple steps process for Pantoprazole Sodium Sesquihydrate, an anti-ulcer drug.
- b) Process for Two key starting materials (KSMs) are also developed in-house.
- c) One of the KSM is manufactured first time in India by the Company.
- d) R&D has improved process for UDCA, so as to generate minimum waste and make product commercially viable in view of competition from Chinese market.
- e) R&D has developed a process for its major product with USP quality so as to explore US market with revised regulatory requirements.
- f) Three products are under advanced stage of development in R&D / Pilot plant. These products will be commercialized in current year/next year.

3. Imported technology (imported during the last three years reckoned from the beginning of the financial year)- N.A.**4. Expenditure incurred on Research and Development during the financial year ended 31 March 2019:**

(₹ crore)	
Capital	1.56
Revenue	5.75
Total	7.31

III Foreign Exchange Earnings & Outgo during the financial year ended 31 March 2019:

(₹ crore)	
Used	293.43
Earned	588.40



ANNEXURE II TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To
The Members
IOL Chemicals and Pharmaceuticals Limited
Trident Complex, Raikot Road
Barnala - 148101

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IOL Chemicals and Pharmaceuticals Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 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 Company for the financial year ended on 31st March, 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;
- (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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/2018;
 - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999-Not applicable during the audit period;
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008-Not Applicable during the audit period;

- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009-Not Applicable during the audit period; and
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998-Not Applicable during the audit period;
- (vi) We have relied on the representation made by the Company & its Officers for system and mechanism formed by the Company for compliances under other applicable Acts as Environmental Laws & Labour Laws as per list attached herewith.

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange & National Stock Exchange;

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

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in 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.

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 has not made any decisions which are having major bearing in the Company's affair in pursuance of above referred laws, rules, regulation, guidelines, standards, etc.

We further report that during the audit period company has conduct Extra-Ordinary General Meeting of the members as on dated 13th March, 2019 and got the approval through ordinary/special resolutions:-

- Reclassified authorized share capital from ₹ 80,00,00,000 (Rupees Eighty crore) divided into 2,20,00,000 (Two crore twenty lakh) Preference Shares of ₹ 10/- (Rupees ten) each and 5,80,00,000 (Five crore eighty lakh) Equity Shares of ₹ 10/- (Rupees ten) each to ₹ 80,00,00,000/- (Rupees eighty crore) divided into 8,00,00,000 (Eight crore) Equity Shares of ₹ 10/- (Rupees ten) each.
- Amended the Clause V (Authorized share capital) of the Memorandum of Association of the company.
- Issued 25,00,000 warrants on preferential basis to Towels Enterprises Limited, promoter group of company at a price of ₹ 205 with an option to apply one equity share of face value of ₹ 10 at a price of ₹ 205 including a premium of ₹ 195 per share with a period of 18 months from the date of allotment.

- Re-appointment of Mr Vijay Garg as Joint Managing Director of the Company for a period of 3 years
- Appointment of Mr Rajender Mohan Malla and Mr Harpal Singh as an Independent Director of the company for a period of 3 years.

Further out of 25,00,000 warrants issued to Towels Enterprises Limited, allotment committee at its meeting held on 30.03.2019 has allotted 6,82,000 equity shares at to Towels Enterprises Limited on the exercise of option attached with the warrants.

For B.K. Gupta & Associates
Company Secretaries

Sd/
(Bhupesh Gupta)
FCS No.:4590
C P No.: 5708

Place: Ludhiana
Date: 29 May 2019

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

LIST OF LABOUR LAWS AND ENVIRONMENTAL LAWS WHICH HAVE BEEN VERIFIED DURING AUDIT PERIOD

List of Labour Laws

Factories Act, 1948
Industrial Disputes Act, 1947
The Payment of Wages Act, 1936
The Minimum Wages Act, 1948
Employee's State Insurance Act 1948
The Payment of Bonus Act, 1972
The Contract Labour (Regulation and Abolition) Act, 1970
The Apprentices Act, 1961

List of Environmental Laws

Environment (Protection) Act, 1986
The Public Liability Insurance Act, 1991
Water (Prevention and Control of Pollution) Act, 1974
Air (Prevention and Control of Pollution) Act, 1981
Hazardous Waste (Management, Handling and Transboundary Movements) Rules, 2008

Annexure:-A

The Members,
IOL Chemicals and Pharmaceuticals Limited
Trident Complex, Raikot Road,
Barnala- 148101

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For B.K. Gupta & Associates
Company Secretaries

Sd/
(Bhupesh Gupta)
FCS No.:4590
C P No.: 5708

Place: Ludhiana
Date: 29 May 2019

ANNEXURE III TO THE DIRECTORS' REPORT
**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**
As on the financial year ended 31 March 2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014
I. REGISTRATION & OTHER DETAILS:

1	CIN	L24116PB1986PLC007030
2	Registration Date	29 September 1986
3	Name of the Company	IOL Chemicals and Pharmaceuticals Limited
4	Category/Sub-category of the Company	Company limited by shares / Indian – Non Government Company
5	Address of the Registered office & contact details	Trident Complex, Raikot Road, Barnala-148101 Ph. No : +91-1679-244701-07 Fax: +91-1679-244708 Email: contact@iolcp.com
6	Whether listed Company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Alankit Assignments Limited (Unit: IOL Chemicals and Pharmaceuticals Limited) "Alankit Hights", 1E/13, Jhandewalan Extension, New Delhi – 110055 Ph: +91-11-23541234, 42541234 Fax: +91-11-41543474 E mail: rta@alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the product/service	% to total turnover of the Company
1	Pharmaceuticals	21001	66%
2	Manufacture of organic and inorganic chemical compounds	20119	34 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
	N.A.				

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise share holding

Category of Shareholders	No. of shares held at the beginning of the year [As on 31 March 2018]				No. of shares held at the end of the year [As on 31 March 2019]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	11,96,965	-	11,96,965	2.13	11,96,965	-	11,96,965	2.10	(0.03)
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Governments	-	-	-	-	-	-	-	-	-
d) Bodies Corporates	2,19,52,033	-	2,19,52,033	39.06	2,26,34,033	-	2,26,34,033	39.79	0.73
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	2,31,48,998	-	2,31,48,998	41.19	2,38,30,998	-	2,38,30,998	41.89	0.70
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoters (A)= (A)(1)+(A)(2)	2,31,48,998	-	2,31,48,998	41.19	2,38,30,998	-	2,38,30,998	41.89	0.70

Category of Shareholders	No. of shares held at the beginning of the year [As on 31 March 2018]				No. of shares held at the end of the year [As on 31 March 2019]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	10,200	10,200	0.02	-	10,200	10,200	0.02	-
b) Banks / FI	50,349	-	50,349	0.09	1,38,903	-	1,38,903	0.24	0.15
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Governments	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/FPIs	-	-	-	-	10,00,178	-	10,00,178	1.76	1.76
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (specify)									
Alternate Investment Funds	-	-	-	-	500	-	500	0.00	0.00
Sub-total (B)(1)	50,349	10,200	60,549	0.11	11,39,581	10,200	11,49,781	2.02	1.91
2. Non-Institutions									
a) Bodies Corporates									
i) Indian	1,72,28,246	3,200	1,72,31,446	30.66	1,66,11,026	3,200	1,66,14,226	29.21	(1.45)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	84,56,319	6,29,036	90,85,355	16.16	85,18,284	5,80,736	90,99,020	15.99	(0.17)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	61,50,089	-	61,50,089	10.94	54,24,904	-	54,24,904	9.54	(1.40)
c) Others (specify)									
Non Resident Indians	4,63,293	-	4,63,293	0.82	7,00,423	-	7,00,423	1.23	0.41
Employee	65,672	100	65,772	0.12	68,050	100	68,150	0.12	0.00
Sub-total (B)(2):-	3,23,63,619	6,32,336	3,29,95,955	58.70	3,13,22,687	5,84,036	3,19,06,723	56.09	(2.61)
Total shareholding of public (B)=(B)(1)+(B)(2)	3,24,13,968	6,42,536	3,30,56,504	58.81	3,24,62,268	5,94,236	3,30,56,504	58.11	(0.70)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	5,55,62,966	6,42,536	5,62,05,502	100	5,62,93,266	5,94,236	5,68,87,502	100	-

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Mr Varinder Gupta	11,95,865	2.13	-	11,95,865	2.10	-	(0.03)
2	Mr Varinder Gupta (HUF)	1,100	0.00	-	1,100	0.00	-	0.00
3	Mayadevi Polycot Limited	1,00,06,323	17.80	-	1,00,06,323	17.59	-	(0.21)
4	NM Merchantils Limited	50,75,571	9.03	-	50,75,571	8.92	-	(0.11)
5	NCG Enterprises Limited	32,84,393	5.85	-	32,84,393	5.77	-	(0.08)
6	Bhudeva Lifesciences Limited	28,73,714	5.11	-	28,73,714	5.05	-	(0.06)
7	True Value Traders Limited	4,00,000	0.71	-	4,00,000	0.70	-	(0.01)
8	Towels Enterprises Limited	3,12,032	0.56	-	9,94,032	1.75	-	1.19
	Total	2,31,48,998	41.19	-	2,38,30,998	41.89	-	0.70



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

Particulars	Shareholding		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	2,31,48,998	41.19	2,31,48,998	41.19
Change during the year				
Allotment on preferential basis on 30.03.2019	6,82,000	0.70	6,82,000	0.70
At the end of the year	2,38,30,998	41.89	2,38,30,998	41.89

(iv) Shareholding pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Name of the shareholder	Shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Vasudeva Commercials Limited				
	At the beginning of the year	1,08,90,000	19.38	1,08,90,000	19.14
	No change during the year	-	-	-	-
	At the end of the year	1,08,90,000	19.38	1,08,90,000	19.14
2	Trident Limited				
	At the beginning of the year	17,85,714	3.18	17,85,714	3.14
	No change during the year	-	-	-	-
	At the end of the year	17,85,714	3.18	17,85,714	3.14
3	G Consultants and Fabricators Limited				
	At the beginning of the year	14,89,000	2.65	14,89,000	2.62
	No change during the year	-	-	-	-
	At the end of the year	14,89,000	2.65	14,89,000	2.62
4	Sudhir Shivji Bheda				
	At the beginning of the year	1,93,200	0.34	1,93,200	0.34
	Bought during the year	2,41,962	0.43	4,35,162	0.76
	Sold during the year	(135162)	(0.24)	3,00,000	0.53
	At the end of the year	3,00,000	0.53	3,00,000	0.53
5	Ms Reena Ashish Ajmera				
	At the beginning of the year	2,75,000	0.49	2,75,000	0.48
	Sold during the year	(6,000)	(0.01)	2,69,000	0.47
	At the end of the year	2,69,000	0.48	2,69,000	0.47
6	Mr Ashwini Jiten Ajmera				
	At the beginning of the year	2,63,000	0.47	2,63,000	0.46
	Bought during the year	6,000	0.01	2,69,000	0.47
	At the end of the year	2,69,000	0.48	2,69,000	0.47
7	Mr Alpesh Kishor Ajmera				
	At the beginning of the year	2,50,000	0.44	2,50,000	0.44
	No change during the year	-	-	-	-
	At the end of the year	2,50,000	0.44	2,50,000	0.44
8	Ms Nishita Alpesh Ajmera				
	At the beginning of the year	2,75,000	0.49	2,75,000	0.48
	Sold during the year	(51737)	(0.09)	2,23,263	0.39
	At the end of the year	2,23,263	0.40	2,23,263	0.39
9	Oregon Public Employees Retirement System Managed Through EAM				
	At the beginning of the year	-	-	-	-
	Bought during the year	3,03,706	0.54	3,03,706	0.53
	Sold during the year	(83,051)	(0.15)	2,20,655	0.39
	At the end of the year	2,20,655	0.39	2,20,655	0.39
10	Missouri Local Government Employees Retirement				
	At the beginning of the year	-	-	-	-
	Bought during the year	2,09,082	0.37	2,09,082	0.37
	At the end of the year	2,09,082	0.37	2,09,082	0.37

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of Director / Key Managerial Personnel	Shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr Varinder Gupta				
	At the beginning of the year	11,96,965	2.13	11,96,965	2.10
	No change during the year	-	-	-	-
	At the end of the year	11,96,965	2.13	11,96,965	2.10
2	Mr Krishan Singla				
	At the beginning of the year	110	0.00	110	0.00
	Purchased during the year	400	0.00	510	0.00
	At the end of the year	510	0.00	510	0.00
3	Mr Pardeep Kumar Khanna				
	At the beginning of the year	6,900	0.01	6,900	0.01
	No change during the year	-	-	-	-
	At the end of the year	6,900	0.01	6,900	0.01

V. INDEBTEDNESS

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

(₹ Crore)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	398.60	23.28	-	421.88
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.57	-	-	2.57
Total (i+ii+iii)	401.17	23.28	-	424.45
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	115.29	23.28	-	138.57
Net Change	(115.29)	(23.28)	-	(138.57)
Indebtedness at the end of the financial year				
i) Principal amount	284.00	-	-	284.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.88	-	-	1.88
Total (i+ii+iii)	285.88	0	-	285.88

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ Crore)

S. No.	Particulars of Remuneration	Name of Managing Director/ Whole time Director/ Manager			Total amount
		Mr Varinder Gupta Managing Director	Mr Vijay Garg Joint Managing Director	Mr Vikas Gupta Executive Director	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	3.45	2.19	0.80	6.44
	(b) Value of perquisites under Section 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	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	3.45	2.19	0.80	6.44
	Ceiling as per the Act				34.10

B. Remuneration to other directors

(₹ Crore)

S. No.	Particulars of Remuneration	Name of Director					Total amount
		Dr M A Zahir	Mr Chandra Mohan	Dr (Mrs) Sandhya Mehta	Mr Rajender Mohan Malla	Dr (Mrs) Sandhya Mehta	
1	Fee for attending board/committee meetings	0.01	0.02	0.02	0.01	0.00	0.06
		(0.75Lakhs)	(1.90 Lakhs)	(1.95 Lakhs)	(0.55Lakhs)	(0.55 Lakhs)	
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (B)	0.01	0.02	0.02	0.01	0.00	0.06
	Total Managerial Remuneration(A+B)						6.50

C. Remuneration to Key Managerial Personnel other than Managing Director/ Whole time director/Manager

(₹ Crore)

S. No.	Particulars of remuneration	Name of Key Managerial Personnel		Total amount
		Mr Pardeep Kumar Khanna	Mr Krishan Singla	
	Designation	Chief Financial Officer	Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0.63	0.46	1.09
	(b) Value of perquisites under Section 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	0.63	0.46	1.09

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There was no penalty / punishment / compounding of offence for breach of any section of the Companies Act against the Company or its directors or other officers in default, during the year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**1. INDUSTRY STRUCTURE AND DEVELOPMENT**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups. India's foreign exchange reserves were US\$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI. India's revenue receipts are estimated to touch ₹ 28-30 trillion (US\$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST). (source : www.ibef.org)

Chemicals industry in India is highly diversified. It is broadly classified into Basic chemicals, Specialty chemicals, and Agrochemicals. The market size of Indian chemicals industry stood at \$ 163 billion in 2017-18 which is projected to reach \$ 304 bn by 2025. The specialty chemicals market has witnessed a growth of 14% in the last five years; the market size is expected to reach \$ 70 bn by 2020.

The healthcare industry in India stood as the fourth largest employer in 2017. Key components of the healthcare market in India are hospitals, pharmaceuticals, diagnostics (imaging and pathology), medical equipment and supplies, medical insurance and telemedicine. Growing incidence of lifestyle diseases, rising demand for affordable healthcare delivery systems due to the increasing healthcare costs, technological advancements, the emergence of telemedicine, rapid health insurance penetration and government initiatives like e-health together with tax benefits and incentives are driving healthcare market in India. India's healthcare market may see a threefold jump in value terms to reach \$ 372 bn by 2022. (source: www.investindia.gov.in)

Moreover India enjoys an important position in the global pharmaceuticals sector. India is the largest provider of generic drugs globally and meets over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in UK. India's pharmaceutical exports stood at US\$ 17.27 billion in FY18 and have reached US\$ 15.52 billion in FY19 (up to January 2019). Pharmaceutical exports include bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgicals.

2. Opportunities and Threats**Opportunities**

- 1 Growing domestic and international market provides potential for growth.
- 2 Growth of speciality chemicals specially Ethyl Acetate, a green solvent, is remained robust due to its diverse use in the various industries
- 3 Increased visibility of the company resulting in easy penetration in global market.
- 4 Rising demand for affordable healthcare facilities are driving the market for generic medicine throughout the world.

Threats:

Competition in generics in domestic and international market.

3 Business Segment Performance and outlook

Company is one of the leading APIs / bulk drugs Company and is significant player in the specialty chemicals space with world class facilities. IOLCP has wide presence across major therapeutic categories like, pain management, anti-diabetes, anti- cholesterol and anti-platelets.

The Company is a manufacturer and global supplier of APIs such as Ibuprofen, Metformin, Clopidogrel and Fenofibrate and other APIs. Specialty Industrial Chemicals segment includes manufacturing of Ethyl Acetate, Iso Butyl Benzene (IBB), Mono Chloro Acetic Acid (MCA) and Acetyl Chloride.

The Company have manufacturing units in Punjab at Village Fatehgarh Chhanna, District Barnala and have an DSIR approved R&D Centre located at works which is equipped with advanced and analytical instruments. The Company have also a captive Cogeneration unit with capacity of 17 MW to meet the power requirements of the plant.

The Company have an excellent team of technical and commercial professionals with expertise in pharmaceutical and chemical manufacturing and marketing.

Specialty chemical i.e. ethyl acetate have application in diverse important industries like pharmaceuticals, ink industry ,flexible packaging, adhesives, surface coatings, flavours ,paints & lamination and essences etc. The demand for the product is driven by a wide range of end use industries.

Demand for APIs is showing continuous increase in its demand due to growing incidence of lifestyle diseases, rising demand for affordable healthcare delivery systems.

4. Risks and Concerns

The main risks to which the Company is exposed as well as approach taken by the management to control and mitigate those risks is given below:

Regulatory risk

The Company operates in a highly regulated pharmaceutical industry. Any lapse to comply regulations may adversely impact its operations. To overcome, regular internal and external inspections are being made to ensure compliance of regulations of Indian and all leading global regulatory authorities.

Operational risks

Increase in raw material prices could impact the performance of the Company. The Company manages it by entering into regular agreements to ensure the continuous supply of raw material and lifting of its finished products to achieve the desired production level and proper utilization of resources. Moreover the Company has backward integrated manufacturing facilities to ensure continuous supply of major raw material in house to bulk drugs.

Debt risk

This refers to the possibility of default of a Company to meet its obligations because of unavailability of funds to meet its debt and operational requirements. In order to ensure adequacy of its funding, cash flow forecasts are prepared regularly and appropriate actions are taken. The Company had prepaid term loans of ₹ 20.05 crore during financial year 2018-19 and further prepaid ₹ 27.57 crore till date of report in addition to regular repayments to the banks.



Credit risk

Credit risk is associated with losses that occur when debtors are unable to meet their obligations on time. Company has established internal policies and controls to determine credit worthiness and reliability of existing and potential customers, which are reviewed on periodical basis.

Geographic risk

A significant concentration in a particular market could be a risk in the event of downturn in that region. So the Company has network of customers in most of states of India. The Company has also expanded its customer base in about 80 countries to mitigate geographical risk. Moreover Company caters different industrial users of the same product.

Technological risk

Technological advancement could result in asset obsolescence warranting a high cost of replacement. Company is using the latest and state of the art technology in the manufacturing, processing and quality control measures and keeps itself in touch with the latest updation in technology and adopting the same to remain efficient in productivity and cost minimization. Moreover the Company has DSIR recognized Research and Development cell which is very active in developing and validating new processes for existing products and development of new products .

Environmental Health and Safety Risk

Today Governments of all the countries around the world are cautious about the environment safety. Non compliance with environmental regulatory issue might affect operations. Company conducts periodic checks to compare effluents and stack emissions and comply with all applicable rules and regulations to protect the environment. Moreover, Company has also obtained ISO 14001:2004 Certification.

Health and Safety of the Workforce is priority of the Company. IOLCP committed itself to manage it through occupational health and safety management tools, dedicated dispensary at factory and qualified Doctor. Moreover the Company has obtained OHSAS 18001:2007.

Competition risk

The Company is exposed to competition from indigenous as well as foreign players. We are controlling the competition risk by continuously improving the quality and capacity of products and maintaining long term relationship with our customers by providing better services to them. The Company is a global leader with about 30% market share in Ibuprofen. The quality control department implemented a range of quality assurance procedures to providing high quality products to our customers.

Foreign exchange risk

Company is exposed to foreign exchange risk with respect to foreign currencies, denominated mainly in US dollars, on revenue and supplies. Although the foreign currency risk is naturally hedged as the Company is importing and exporting the goods. However, the Company does regular monitoring of exposures and takes hedging whenever required,

Human Capital Risk

Acquisition and retention of right talent is critical to maintain desired operational standards. The Company has a dedicated team of professionals who is not only looks after the recruitment and training of human capital but also takes care to provide better

working environment and development opportunities to them for their self progress.

Insurance

All the insurable immovable as well as movable assets of the Company including stocks are adequately insured and all insurance policies are in force as on the date of the report.

5. Internal Control System and its adequacy

The Company has aligned its current systems of internal controls including financial controls with the requirement of Companies Act 2013. The Company's internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorisation and ensuring compliance of corporate policies.

The Company uses best IT system to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information.

The Audit and Risk Management Committee reviews reports submitted by internal auditors regularly and suggest the improvements from time to time which are being implemented by the Company.

6. Financial Performance

A. Profit and Loss Account

Revenue

Total income has increased to ₹ **1695.70 crore** during the year of review as compared to ₹ 1007.29 crore during the previous year. FOB value of Export sales of the Company has also increased from ₹ 309.72 crore to ₹ **588.40 crore**.

Segmental Revenue

Bulk drugs segment contributed about **66%** of total revenue for the financial year 2019 against 63% contribution in financial year 2018. The Chemicals Segment contributed about **34%** to total revenue in financial year 2019 against 36% in financial year 2018.

EBIDTA

EBITDA of the Company has increased to ₹ **420.02 crore** during year under review from ₹ 125.86 crore during the previous year due to increase in the operation efficiencies.

Net Profit after tax

The Company has earned profits after tax of ₹ **236.70 crore** in the year under review against profits after tax of ₹ 27.70 crore during the previous year.

B. Balance Sheet

Share Capital

Authorized share capital of the Company is ₹ 80 crore divided into 8,00,00,000 equity shares of ₹ 10/- each as on 31 March 2019. Paid-up share capital of the Company is ₹ 56,88,75,020/- consisting of 5,68,87,502 equity shares of ₹ 10/- each.

Reserves and Surplus

Reserves and surplus at the end of the year under review

stood at ₹ 417.45 crore against ₹ 159.53 crore at the end of previous year.

Net Worth

Net worth of the Company has improved to ₹ 474.34 crore at the end of the year as against ₹ 215.74 crore at the end of previous year.

Borrowings

Long term secured borrowing at the end of financial year 2019 were ₹ 189.88 crore against ₹ 236.16 crore at the end of financial year 2018. Unsecured long term borrowings at the end of financial year 2019 stood at Nil against ₹ 21.96 crore at the end of financial year 2018. The Company has prepaid the term loans amounting to ₹ 20.05 crore during the year in addition to regular repayments. Short term secured borrowing at the end of financial year 2019 were ₹ 67.72 crore against ₹ 135.27 crore at the end of financial year 2018.

Assets

Non- Current Assets

Total Fixed assets including Capital work-in-process increased to ₹ 438.74 crore as on 31 March 2019 from ₹ 412.59 crore as on 31 March 2018, net of depreciation and additions.

Current Assets and Current Liabilities

The Company had inventories of ₹ 188.86 crore as on 31 March 2019 against ₹ 207.45 crore as on 31 March 2018. Trade Receivable amounted to ₹ 199.16 crore as on 31 March 2019 as compared with ₹ 146.14 crore as on 31 March 2018. The trade payables decreased to ₹ 120.27 crore as on 31 March 2019 as compared with ₹ 157.61 crore as on 31 March 2018. The changes are in line with increase in overall operations.

Cash flows

The Company's net cash flow from operating activities for the year ended 31 March 2019 amounted to ₹ 273.17 crore against net cash flow used in operating activities ₹ 119.72 crore during the previous year.

The Company's net cash used in investing activities amounted to ₹ 63.04 crore during the year ended 31 March 2019 against ₹ 50.38 crore during the previous year.

During the year, net cash used in financing activities amounted to ₹ 197.46 crore as against net cash flow from financing activities ₹ 70.36 crore during the previous year.

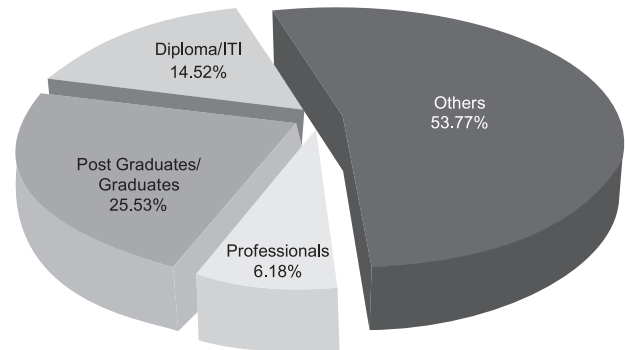
Analysis of Ratios :

Ratio	Year ended 31 March 2019	Year ended 31 March 2018	Remarks
Operating Profit Margin (%)	24.77	12.49	Better utilisation of resources and improvement in operational efficiencies
Net Profit Margin (%)	13.96	2.75	Increased due to better realisation of prices of products
Return on Net Worth (%)	49.90	12.84	Better utilisation of resources
Debtors Turnover (Days)	43	53	Efficient and quick realisation

Ratio	Year ended 31 March 2019	Year ended 31 March 2018	Remarks
Inventory Turnover	8.51	4.18	Efficiency in operations
Interest Coverage Ratio	8.17	1.96	Better utilisation of resources
Current Ratio	1.90	1.23	Better profitability
Debt Equity Ratio	0.46	1.33	Better profitability and pre-payment of loans
Fixed Assets Coverage Ratio	2.03	1.56	Efficient use of resources

7 Human Assets

The Company has a team of 1618 strong members as on 31 March 2019 consisting of 6.18% Professionals, 25.53% Post Graduates/ Graduates, 14.52 % Diploma/ITI and 53.77 % others.



The Company emphasizes on all around development of the human resources. The Company's HR policies entail injecting company with a high degree of expertise, professional depth, dynamism and power of the youth. The Company belief in respect of human resources and dignity of labour and consider human resources very valuable and vital assets for the development of the organization. We provide managerial and leadership development programmes across all levels to improve our business practices. The Company gives due importance to talent acquisition and thus have a blend of both campus and latent hiring. We believe in nurturing of talent and company's practices root for the same by providing them strategic training and development programs.

8 Cautionary Statement

Statement in Management Discussion and Analysis describing Company's objectives, projections, estimates and expectations may be "Forward Looking Statements" within the meaning of applicable laws & regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to company's operations include but are not restricted to the economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which Company operates, changes in the Government regulations, tax laws, and other statues, as also other incidental factors.

For and on behalf of the Board

Sd/- Sd/-

Varinder Gupta Rajender Mohan Malla
 Managing Director Chairman
 DIN -00044068 DIN-00002973

Place : Barnala
 Dated : 29 May 2019

CORPORATE GOVERNANCE REPORT

Your Company confirms the compliance of Corporate Governance as contained in the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred as SEBI Listing Regulations) details of which are given below:

1. A brief statement on company's philosophy on code of governance

Our corporate governance is a foundation of our value system encompassing our culture, policies and relationships with our stakeholders. Integrity and transparency are key factors to our corporate governance to ensure that we gain and retain the trust of our stakeholders at all times.

The company's philosophy on Corporate Governance is based on following principles:

- (i) Composition of the board to add value
- (ii) Promote ethical and responsible decision-making
- (iii) Safeguard integrity in financial reporting
- (iv) Make timely and balanced disclosures
- (v) Recognise and manage business risks
- (vi) Respect the rights of the shareholders
- (vii) Recognise the legitimate interest of the stakeholders
- (viii) Legal and statutory compliances in letter and spirit

2. Board of Directors:

a) Composition of the Board:

Composition of the board, number of directorship held, chairmanship & membership of the committees and shareholding in company are as given below:

Name of the Director	Category	No. of Directorship held (1)	No. of Committees (2)		Share holding in Company
			Chairmanship	Memberships	
Mr Rajender Mohan Malla ⁽³⁾	Chairman & Independent Director	10	1	3	--
Mr Varinder Gupta ⁽⁴⁾	Managing Director	6	--	1	11,96,965
Mr Vijay Garg ⁽⁵⁾	Joint Managing Director	2	--	1	--
Mr Vikas Gupta	Executive Director	6	--	1	--
Mr Chandra Mohan	Independent Director	5	1	1	--
Mr Harpal Singh ⁽⁶⁾	Independent Director	2	1	--	--
Dr (Mrs) Sandhya Mehta	Independent Director	1	1	1	--
Dr M A Zahir ⁽⁷⁾	Ex Chairman & Independent Director	6	3	2	--

- (1) including the Company.
- (2) Board Committees for this purpose includes Audit Committee and Stakeholders' Relationship Committee.
- (3) Mr Rajender Mohan Malla was appointed as Chairman and Independent Director with effect from 06 February 2019.
- (4) Mr Varinder Gupta re-appointed as Managing Director with effect from 01 September 2018.
- (5) Mr Vijay Garg re-appointed as Joint Managing Director with effect from 02 March 2019.

(6) Mr Harpal Singh was appointed as Independent Director with effect from 06 February 2019.

(7) Dr M A Zahir, Chairman and independent director of the company left for his heavenly abode on 08 November 2018.

Notes: There is no inter-se relationship between the directors except Mr Varinder Gupta is father of Mr Vikas Gupta.

Names of the listed entities where the person is a director and the category of directorship

Name of the Director	Names of the listed entities	Category
Mr Rajender Mohan Malla (Chairman)	1. IOL Chemicals and Pharmaceuticals Limited	Independent Director
	2. Central Depository Services (India) Limited	Independent Director
	3. Bharat Financial Inclusion Limited	Independent Director
	4. Vardhman Textiles Limited	Independent Director
	5. Waaree Technologies Limited	Independent Director
Mr Varinder Gupta	IOL Chemicals and Pharmaceuticals Limited	Managing Director
Mr Vijay Garg	IOL Chemicals and Pharmaceuticals Limited	Joint Managing Director
Mr Vikas Gupta	IOL Chemicals and Pharmaceuticals Limited	Executive Director
Mr Chandra Mohan	1. IOL Chemicals and Pharmaceuticals Limited	Independent Director
	2. Winsome Textile Industries Limited	Independent Director
Mr Harpal Singh	IOL Chemicals and Pharmaceuticals Limited	Independent Director
Dr (Mrs) Sandhya Mehta	IOL Chemicals and Pharmaceuticals Limited	Independent Director

b) Attendance of Directors at the Board Meetings and last Annual General Meeting:

During the financial year 2018-19, the Board met 5 (five) times on 16 May 2018, 11 August 2018, 14 November 2018, 06 February 2019 and 12 February 2019. There was no gap of more than four months between any two consecutive meetings. Attendance of the directors at Board Meetings and previous Annual General Meeting (AGM) held on 29 September 2018 is as given below:

Name of the Director	Board Meetings Attended	Attendance at last AGM
Mr Varinder Gupta	5	Yes
Mr Vijay Garg	5	Yes
Mr Vikas Gupta	5	Yes
Mr Chandra Mohan	5	No
Dr (Mrs) Sandhya Mehta	5	No
Dr M A Zahir, Chairman (till 08 November 2018)	2	No
Mr Rajender Mohan Malla, Chairman (from 06 February 2019)	1	N.A.
Mr Harpal Singh (from 06 February 2019)	1	N.A.

3. Audit and Risk Management Committee

Audit and Risk Management Committee consists of four directors, three being independent directors viz. Mr Harpal Singh (Chairman), Mr Chandra Mohan and Dr (Mrs) Sandhya Mehta and one executive director viz. Mr Vijay Garg as on 31 March 2019. Statutory Auditors, Internal Auditors and Finance head are invites on the Committee. Company Secretary acts as Secretary to the Committee.

The role of the Audit and Risk Management Committee is in accordance with the SEBI Listing Regulations and the terms of reference specified under Section 177 of the Companies Act, 2013. Primary objective of the Committee is to monitor and provide effective supervision of management's financial reporting process with a view to ensure accurate, timely and proper disclosures, transparency, integrity & quality of financial reporting and minimisation of risk.

During the year 2018-2019, Audit and Risk Management Committee met four times on 16 May 2018, 11 August 2018, 14 November 2018 and 12 February 2019. There was no gap of more than four months between any two consecutive meetings. Attendance record of Audit and Risk Management Committee members is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr Chandra Mohan	4	4
Dr (Mrs) Sandhya Mehta	4	4
Dr M A Zahir, Chairman (till 08 November 2018)	2	2
Mr Harpal Singh, Chairman (from 06 February 2019)	1	1
Mr Vijay Garg	1	1

4. Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of three directors, all being Independent Directors viz. Mr Chandra Mohan (Chairman), Mr Rajender Mohan Malla and Dr (Mrs) Sandhya Mehta as on 31 March 2019. Terms of reference of Committee is in accordance with the provisions of SEBI Listing Regulations and as specified under Section 178 of the Companies Act, 2013. Main terms of reference of the Committee includes determination of remuneration packages of the executive directors including remuneration policy. The Committee formulated the criteria and framework for the performance evaluation of each director on the Board, including the executive and independent directors.

During the year, two meetings were held on 16 May 2018 and 12 February 2019. Attendance record of Nomination and Remuneration Committee members is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr Chandra Mohan, Chairman	2	2
Dr (Mrs) Sandhya Mehta	2	2
Dr M A Zahir (till 08 November 2018)	1	1
Mr Rajender Mohan Malla (from 06 February 2019)	1	1

5. Remuneration Policy and details of Remuneration of Directors:

a) Executive Directors: The Company has a policy for the remuneration of Directors and Key Managerial Personnel (KMPs). The Company pays remuneration to its Executive

Directors as approved by Nomination and Remuneration Committee, Board of Directors, Members of the Company and approval of Central Government wherever is required. The Company entered into the agreement with executive directors. No severance fees is payable to the Executive Directors. All components of remuneration to the Executive Directors are fixed and in line with the Company's policies. The Company has not granted any stock option to its directors.

Detail of remuneration paid to the Executive Directors during the financial year 2018-2019 is given below:

(Amount in ₹ in crore)

Name	Position	Salary	Commis- sion	Contribution to Provident & other Funds	Other perquisites & allowances	Total
Mr Varinder Gupta	Managing Director	1.44	-	0.17	2.11	3.72
Mr Vijay Garg	Joint Managing Director	0.91	-	0.11	1.33	2.35
Mr Vikas Gupta	Executive Director	0.34	-	0.04	0.49	0.87

b) Independent Directors: Independent Directors have not been paid any remuneration except sitting fees @ ₹ 15,000/- for attending each Board Meeting /Committee Meeting. The Board of Directors in its meeting held on 12 February 2019 revised the sitting fees @ ₹ 25,000/- for attending each Board Meeting /Committee Meeting. Detail of sitting fees paid during the year 2018-2019 is given below:

(Amount in ₹ in Crore)

Name of Directors	Fee paid for Board Meetings	Fees paid for Committee Meetings ⁽¹⁾	Total Fee Paid
Mr Chandra Mohan	0.01	0.01	0.02
Dr (Mrs) Sandhya Mehta	0.01	0.01	0.02
Dr M A Zahir (till 08 November 2018)	0.00 (0.30 Lakh)	0.00 (0.45 Lakh)	0.01
Mr Rajender Mohan Malla (from 06 February 2019)	0.00 (0.15 Lakh)	0.00 (0.40 Lakh)	0.01 (0.55 Lakh)
Mr Harpal Singh (from 06 February 2019)	0.00 (0.15 Lakh)	0.00 (0.40 Lakh)	0.00 (0.55 Lakh)

(1) The fees paid for Committees includes Audit & Risk Management Committee, Banking & Finance Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and, Meeting of Independent Directors.

During the year 2018-19, the Company did not advance any loan to any of its directors except advance for travel or other purposes to discharge official duties in the normal course of business.

The Company, in compliance with the provisions of Section 197 of the Companies Act, 2013 and SEBI Listing Regulations, has not granted stock options to Independent Directors.

The Company is making the payment to its executive /non-executive directors as per nomination and remuneration policy of the Company the same is available on the Company's website at www.iolcp.com.

6. Stakeholders' Relationship Committee

Stakeholders' Relationship Committee consists of three Directors and chaired by the independent director viz., Dr (Mrs) Sandhya Mehta (Chairman), Mr Varinder Gupta and Mr Vikas Gupta as on 31 March 2019. Terms of reference of Committee is in accordance with the provisions of SEBI Listing Regulations and as specified under Section 178 of the Companies Act, 2013. During the year, one meeting was held on 12 February 2019.

Attendance record of Stakeholders' Relationship Committee members is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Dr (Mrs) Sandhya Mehta, Chairman (from 06 February 2019)	1	1
Mr Varinder Gupta	1	1
Mr Vikas Gupta	1	1
Dr M A Zahir, Chairman (till 08 November 2018)	0	0

Mr Krishan Singla, Vice President and Company Secretary is the Compliance Officer for complying with the requirements of SEBI Listing Regulations and the Listing Agreements with the Stock Exchanges in India. Any investor / shareholder of the Company can contact him on the matters related with the company at 85, Industrial Area, 'A', Ludhiana, Phone: +91-161-2225531-35, Fax: +91-161- 2608784 and e-mail: investor@iolcp.com.

Shareholders' complaints received, resolved and pending:

Detail of investors' complaints/queries received and resolved during the year 2018-19 are as under:

Sr. No.	Nature of complaints / queries	No. of complaints / queries during the year		
		Received	Attended	Pending
1	Transfer/Transmission of Shares	24	24	0
2	Dividend	0	0	0
3	Loss/Issue of duplicate shares certificate	41	41	0
4	SEBI/Stock Exchange	1	1	0
5	Change of Company Name	29	29	0
6	Change of Address	43	43	0
7	Split/Consolidation	0	0	0
8	Others	449	449	0

7. Corporate Social Responsibility (CSR) Policy and Initiatives

The Board of Directors have constituted a CSR Committee comprising of four directors, three being executive directors viz. Mr Varinder Gupta, Mr Vijay Garg, Mr Vikas Gupta and one independent director viz. Dr (Mrs) Sandhya Mehta as its members. Mr Varinder Gupta is the Chairman of the Committee. The CSR Committee oversees the Company's CSR initiatives under the overall supervision and guidance of the Board of Directors. During the year, one meeting was held on 14 November 2018.

Attendance record of Corporate Social Responsibility Committee members is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr Varinder Gupta, Chairman	1	1
Mr Vijay Garg	1	1
Mr Vikas Gupta	1	1
Dr (Mrs) Sandhya Mehta	1	1

8. General body Meetings:

a) Annual General Meetings

The details of last three Annual General Meetings held at the Registered Office of the Company at Trident Complex, Raikot Road, Barnala are given below:

Meeting	Date	Day	Time/ Location	Details of Special Resolutions passed
31st AGM	29 September 2018	Saturday	11:00 AM at Registered Office	<ol style="list-style-type: none"> Adoption of new set of Articles of Association containing regulations in accordance with Companies Act, 2013 Alteration of Memorandum of Association in accordance with Companies Act, 2013 Increase of remuneration of Mr Varinder Gupta, Managing Director Re-appointment of Mr Varinder Gupta as Managing Director Increase of remuneration of Mr Vijay Garg, Joint Managing Director Increase of remuneration of Mr Vikas Gupta, Executive Director To authorised the Board to revise the remuneration payable to managing director or whole-time directors of the company
30th AGM	28 September 2017	Thursday	11:00 AM at Registered Office	<ol style="list-style-type: none"> Increase of the remuneration of Mr Varinder Gupta, Managing Director Increase of the remuneration of Mr Vijay Garg, Joint Managing Director
29th AGM	28 September 2016	Wednesday	11:00 AM at Registered Office	<ol style="list-style-type: none"> Re- appointment of Mr Vijay Garg, Joint Managing Director Re- appointment of Mr Vijay Singla, Director (Works) Increase of the remuneration of Mr Varinder Gupta, Managing Director

b) Extra-ordinary General Meetings

During the year under review, one Extra-ordinary General Meetings was held on 13 March 2019.

No resolution has been passed through the exercise of postal ballot during the year.

9. Means of Communication:

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end, the following information are being disclosed to the investors:

1) Quarterly/Half Yearly/Annual Results: Quarterly, half yearly and annual results of the Company are sent to the

Stock Exchanges immediately after they are approved by the Board.

- 2) **Publication of Quarterly/Half Yearly/Annual Results:** Quarterly, half yearly and annual results of the Company are published in the prescribed performa within 48 hours of the conclusion of the meeting of the Board at least in one English newspaper circulating in the whole or substantially the whole of India and in one vernacular newspaper of the State of Punjab where the Registered Office of the Company is situated.

Quarterly financial results during financial year 2018-19 were published as detailed below:

Quarter ended	Date of Board Meeting	Date of Publication	Name of the Newspapers
30 June 2018	11 August 2018	12 & 13 August 2018	Financial Express, Business Standard, Economic Times and Punjabi Jagran
30 September 2018	14 November 2018	15 & 16 November 2018	Financial Express, Business Standard, Economic Times and Punjabi Jagran
31 December 2018	12 February 2019	13 February 2019	Financial Express, Business Standard, Economic Times and Punjabi Jagran
31 March 2019	29 May 2019	30 May 2019	Financial Express, Business Standard, Economic Times and Punjabi Jagran

These results and other press releases are sent to the Stock Exchanges as well as displayed on Company's website www.iolcp.com at the time of its release to the media.

- 3) **NSE Electronic Application Processing System (NEAPS):** NEAPS is a web based application designed by NSE for corporate. The Shareholding Pattern, Corporate Governance Report and Corporate's Announcements etc. are also filed electronically on NEAPS.
- 4) **BSE Listing Centre (<http://listing.bseindia.com/>):** BSE Listing Centre is a web based application designed by BSE for corporate. The Shareholding pattern, Corporate Governance Report and Corporate's Announcements etc. are also filed electronically on BSE Listing Centre.
- 5) **E-mail:** Quarterly/half yearly /annual results/ annual reports are also send to the members & investors on their e-mail Ids registered with the Company.

10. General Shareholders Information

Following information would be useful to the members:

- a) **Annual General Meeting** of the Company will be held on Thursday, 29 August 2019 at 11:00 AM at the Registered Office of the Company at Trident Complex, Raikot Road, Barnala, Punjab.
- b) **Financial Calendar:** Last financial year of the Company was of twelve months from 1 April 2018 to 31 March 2019. Tentative financial calendar of the Company for the year 2019-20 shall be as follow:

Board Meetings to take on record	Schedule
Financial Results for the quarter ending 30 June 2019	During August 2019
Financial Results for the quarter/half year ending 30 September 2019	During November 2019
Financial Results for the quarter ending 31 December 2019	During February 2020
Financial Results for the quarter ending 31 March 2020	During May 2020

c) Date of Book Closure

The Register of Members and Share Transfer Books will remain closed from 23 August 2019 to 29 August 2019 for the purpose of the Annual General Meeting.

d) Dividend payment date

The Board of Directors has not recommended any dividend so as to conserve the resources to use in new projects and prepayment of dues to the Banks.

e) Shares of the Company are listed on the following Stock Exchange

Name and Address of the Stock Exchange	Stock Code
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051	IOLCP
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	524164

The Company has made all the compliances of Listing Agreement including payment of annual listing fees.

f) Market Price data

Monthly high and low prices of equity shares of the Company at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) are as follow:

(in ₹)

Financial Year 2018-19	NSE				BSE			
	Share Price		NIFTY		Share Price		BSE SENSEX	
	High	Low	High	Low	High	Low	High	Low
Apr-18	116.40	79.05	10759	10111	116.60	79.55	35213	32973
May-18	113.70	89.55	10929	10418	113.50	90.55	35994	34303
Jun-18	98.60	78.00	10893	10551	96.45	78.25	35877	34785
Jul-18	102.55	77.05	11366	10605	102.65	78.20	37645	35107
Aug-18	132.00	97.50	11760	11235	132.35	99.0	38990	37129
Sep-18	152.20	116.10	11752	10850	152.50	116.20	38934	35986
Oct-18	138.50	107.50	11036	10005	138.25	108.00	36617	33292
Nov-18	181.90	128.00	10922	10342	181.90	129.10	36389	34303
Dec-18	177.40	142.50	10985	10334	177.50	130.20	36555	34426
Jan-19	225.60	151.25	10987	10584	225.40	151.60	36701	35376
Feb-19	223.80	175.10	11118	10586	223.80	179.00	37172	35287
Mar-19	203.00	177.00	11630	10817	203.05	176.50	38749	35927

Source: nseindia.com and bseindia.com

g) Registrar and Share Transfer Agents

Alankit Assignments Limited,
(Unit: IOL Chemicals and Pharmaceuticals Limited)
"Alankit Heights", 1E/13,
Jhandewalan Extension, New Delhi-110 055
Phone : +91-11-23541234, 42541234
Fax : +91-11-42541967
E mail : rta@alankit.com

h) Share Transfer System

All share transfers, physical as well as electronic, are handled by M/s Alankit Assignments Limited, Registrar and Share



Transfer Agent of the Company at Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi – 110 055.

i) Distribution of Shareholding

The Distribution Schedule of the Company as on 31 March 2019 is as follow:

Range No. of Shares	Shareholders		Shares	
	Number	%age of total holders	Number	%age of total capital
Upto 500	22,706	85.55	29,65,536	5.21
501 to 1000	1,709	6.44	13,90,983	2.45
1001 to 2000	950	3.58	14,24,911	2.50
2001 to 3000	359	1.35	9,14,220	1.61
3001 to 4000	164	0.62	5,86,039	1.03
4001 to 5000	145	0.54	6,82,558	1.20
5001 to 10000	255	0.96	18,89,326	3.32
10001 and Above	254	0.96	4,70,33,929	82.68
Total	26,542	100.00	5,68,87,502	100.00

j) Shareholding Pattern:

The shareholding pattern of the Company as on 31 March 2019 is as follow:

Category	As on 31 March 2019			As on 31 March 2018		
	Shareholders	Shares	%age	Shareholders	Shares	%age
Promoter						
Indians	8	2,38,30,998	41.89	8	2,31,48,998	41.19
Foreign	-	-	-	-	-	-
Sub – total	8	2,38,30,998	41.89	8	2,31,48,998	41.19
Non-Promoters						
Financial Institutions / Mutual Funds	7	1,49,603	0.26	6	60,549	0.11
Foreign Port folio Investors	10	10,00,178	1.76	-	-	-
NBFCs registered with RBI	4	6,126	0.01	3	76,612	0.14
Bodies Corporate	322	1,62,44,063	28.56	284	1,70,86,474	30.40
Individuals	25,079	1,38,18,876	24.29	22,042	1,43,50,534	25.53
HUF	565	7,05,048	1.24	585	8,84,910	1.57
NRI	364	7,00,423	1.23	212	4,63,293	0.82
Clearing Members	140	3,64,037	0.64	68	68360	0.12
Employees	43	68,150	0.12	37	65772	0.12
Sub –total	26,534	3,30,56,504	58.11	23,237	3,30,56,504	58.81
Total	26,542	5,68,87,502	100	23,245	5,62,05,502	100

k) Dematerialisation of Shares and Transfer of Shares:

The Company's shares are compulsorily traded in dematerialised form. The Company has arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility.

Shares held in demat and physical mode as on 31 March 2019 are as follow:

Particulars of shares	Equity shares of ₹ 10/- each		Members	
	Number	% of Total	Number	% of Total
Demat mode	5,62,93,266	98.96 %	22,397	84.38
Physical mode	5,94,236	1.04 %	4,145	15.62
Total	5,68,87,502	100 %	26,542	100.00

The Company has appointed Alankit Assignment Limited as Registrar and Share Transfer Agents. No case is pending for transfer as well as dematerialization of shares as on 31 March 2019. The ISIN No. of the Company is INE485C01011

l) Outstanding GDR/ADR/Warrants/Convertible Instrument

The Company has no outstanding GDR/ADR. The Company has allotted 25,00,000 warrants to a promoters at ₹ 205/- each on 30 March 2019 out of which promoter has exercised the option to convert 6,82,000 warrants to 6,82,000 equity shares of ₹ 10/- each at a premium ₹ 195/- per share on 30 March 2019. Now 18,18,000 warrants are outstanding as on 31 March 2019.

m) Foreign exchange risk and hedging activities

The Company is exposed to foreign exchange risk with respect to foreign currencies, denominated mainly in US dollars, on revenue and supplies. However, risk is naturally hedged as Company is engaged both in imports and exports and is used to take future cover as the situation so warrants.

n) Credit rating

Credit rating by CARE Ratings Limited vide letter 26 December 2018 for banking facilities availed by the company, as per details given below:

Facilities	Amount (₹ crore)	Rating	Rating Action
Long term Bank Facilities	429.33	CARE BBB+; Stable (Triple B Plus; Outlook: Stable)	Revised from CARE BBB-; Stable' (Triple B Minus; Outlook: Stable)
Short term Bank Facilities	150	CARE A2 (A Two)	Revised from CARE A3 (A Three)

o) Plant Location

Village Fatehgarh Chhana, Mansa Road, Barnala-148 001.
Phone : +91-1679-285285-86
Fax : +91-1679-285292

p) Address for Correspondence

For general correspondence:

Vice President and Company Secretary

IOL Chemicals and Pharmaceuticals Limited

85, Industrial Area 'A', Ludhiana - 141 003.

Phone : +91-161-2225531-35

Fax : +91-161-2608784

E-mail : investor@iolcp.com,

For share transfer/ dematerialisation/ change of address etc:

Alankit Assignments Limited,

(Unit: IOL Chemicals and Pharmaceuticals Limited)

"Alankit Heights",

1E/13, Jhandewalan Extension, New Delhi - 110055

Phone : +91-11-23541234, 42541234

Fax : +91-11-42541967

E mail : rta@alankit.com

11. Disclosures

a) Related Party Transactions

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its directors or promoters that may have potential conflict with the interests of the Company at large except details of transactions annexed to the Balance Sheet. All details relating to financial and commercial transactions, where directors may have a potential interest are provided to the Board and interested directors neither participate in the discussion nor do they vote on such matters.

The Company has policy on dealing with material related party transactions which is available on the website of the Company at www.iolcp.com.

b) Compliance made by the Company

The Company has continued to comply with the requirements as specified in the SEBI Listing Regulations and other statutory authorities on all matters related to capital market and no penalties or strictures have been imposed on the Company by the stock exchanges, SEBI or any other authority on any matter related to capital market during the last three years.

c) Vigil Mechanism

The Company has whistle blower policy which acts as vigil mechanism and provides an opportunity to employees to access in good faith, to Audit and Risk Management Committee, in case they observe unethical and improper practices or any other alleged wrongful conduct in the Company and to prohibit managerial personnel from taking any adverse personnel action against those employees. It is affirmed that no personnel has been denied access to Audit and Risk Management Committee during the year. The whistle blower policy is available on the website of the Company at www.iolcp.com.

d) Compliance with mandatory requirements

The Company has complied with all the applicable mandatory requirements and other applicable regulations of SEBI Listing Regulations.

i) Code of Conduct for Directors and Senior Management

The "Code of Conduct for Directors and Senior Management" has been adopted by the Company for its board members and senior management of the Company. Code of Conduct is available on the website of the Company www.iolcp.com. All board members and senior management personnel affirmed the compliance with the said code. A certificate as required under Regulation 34 (3) of SEBI Listing Regulations affirming compliance of said code is given in this Annual Report.

ii) Management Discussion and Analysis Report

Management Discussion and Analysis Report has been included in this Annual Report and includes discussion on the matters specified in the Regulation 34 (3) of SEBI Listing Regulations.

iii) Selection of Independent Directors

The Nomination and Remuneration Committee, inter alia, considers qualification, positive attributes, area of expertise and number of directorships and memberships held in various committees of other companies by such persons in accordance with the company's Policy for selection of directors and determining directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision.

None of the directors appointed or continue as alternate director for an independent director of the company.

The terms and conditions of appointment of independent directors is available on the company's website www.iolcp.com.

Every independent director, at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

iv) Familiarisation Programme for Independent Directors

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the company's procedures and practices. Periodic presentations are made at the meeting of the board / committee on business and performance updates of the company, global business environment, business strategy and risks involved. Detailed presentations on the company's business segments were made at the separate meetings of the independent directors held during the year.

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the directors. Site visits to various plant locations are organized for the directors to enable them to understand the operations of the company. The details of such familiarization programs for independent directors are posted on the website of the company at www.iolcp.com.

v) List of core skills/expertise/competencies identified by the board of directors as required in the context of its business

Skill Area	Description
Strategy and planning	Ability to think strategically, identify and critically assess strategic opportunities and threats.
Governance, Risk and Compliance	Experience in the application of corporate governance principles in a commercial enterprise, ability to identify key risks to the company in a wide range of areas of operation.
Financial Performance	Qualifications and experience in accounting and/or finance and the ability to assess financial viability and performance, contribute to financial planning and efficient use of resources.
Commercial Experience	A broad range of commercial/ business experience including marketing and business systems and improvement.
International	Knowledge and international commercial experience.
Product skills	Knowledge and experience in chemical and pharmaceutical industry

vi) Board evaluation

The evaluation of all the directors was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Directors' Report.

Further the evaluation process was based on affirmation received from Independent Directors that they met the independence criteria as required under Companies Act, 2013 and Listing Regulations.

vii) Holding and subsidiary companies

The Company does not have any holding or subsidiary company.

viii) Detail of utilization of fund raised through preferential allotment

The Company has realized the 25% upfront money amounting to ₹12.81 crore by way of adjustment against outstanding loan of ₹17.30 crore provided by the allottee on or before 12.02.2019 against the allotment of 25,00,000 warrants at the price of ₹205/- per warrant. The Company has also realized the balance 75% allotment monies for allotment of 6,82,000 shares on conversion of 6,82,000 warrants into equity shares amounting to ₹ 10.49 crore. Out of total amount ₹10.49 crore, ₹4.49 crore has been adjusted from the outstanding loan provided by the allottee and balance ₹ 6 crore has been realized from the bank account of the respective allottee

on or before 30.03.2019. The fund raised through preferential allotment were utilized in expansion of projects and to meet working capital requirements.

ix) Total fees paid to statutory auditors

The Company has paid ₹ 19 lakh to the statutory auditors for all services. The detail of the same is given in Note no. 45 of Notes forming part of financial statements. The Company has no subsidiary company.

x) Sexual Harassment of women at workplace

Detail of complaints received and resolved during the year 2018-19 are as under:

Nature of complaints / queries	No. of complaints during the year		
	Filed	disposed	Pending
Sexual Harassment of women at workplace	0	0	0

12. Compliance report on discretionary requirements under Regulation 27(1) of SEBI Listing Regulations.

The Company is displaying its quarterly and half-yearly results on its website www.iolcp.com and publishing the same in widely circulated newspapers. The auditors have given unmodified opinion on the financial statements of the Company. The Company has appointed separate person to the post of chairman and managing director. Mr Rajender Mohan Malla is the Chairman of the Company and Mr Varinder Gupta is the Managing Director of the Company. The Internal Auditors reports to the Audit and Risk Management Committee on internal audit findings.

13. CEO and CFO Certificate

Certificate from the Managing Director (CEO) and Chief Financial Officer (CFO) under Regulation 17 (8) and Regulation 34(3) of SEBI Listing Regulations is given in this Annual Report.

14. Auditor's Certificate on Compliance

Certificate from the Statutory Auditors under Regulation 34 (3) of SEBI Listing Regulations confirming compliance of conditions of corporate governance is given in this Annual Report.

15. Certificate from company secretary in practice

Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is given in this Annual Report.

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We, Varinder Gupta, Managing Director and Pardeep Kumar Khanna, Chief Financial Officer (CFO) of IOL Chemicals and Pharmaceuticals Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31 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 are fraudulent, illegal or violative 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 the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit & Risk Management Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
4. We have indicated to the Auditors and the Audit & Risk Management Committee
 - a) significant changes in internal control over financial reporting during the year;
 - b) significant changes in accounting policies during the year, if any, 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 involvement therein, if any, of the management or other employees who have a significant role in the Company's internal control system over financial reporting.
5. We further declare that all the board members and senior management personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the financial year ended 31 March 2019.

Place: Barnala
Date: 29 May 2019

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Sd/-
Varinder Gupta
Managing Director
DIN:00044068

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of IOL Chemicals and Pharmaceuticals Limited,

1. We, Ashwani and Associates, Chartered Accountants, the Statutory Auditors of IOL Chemicals and Pharmaceuticals Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2019, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

Managements' Responsibility

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

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with corporate governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.



Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31 March 2019.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Ashwani & Associates
Chartered Accountants
Firm's Registration No.000497N

Sd/-
(Aditya Kumar)
Partner
M. No. 506955

Place : Barnala
Date : 29 May 2019

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

TO
THE MEMBERS,
IOL CHEMICALS AND PHARMACEUTICALS LIMITED

As required by Clause 10(i) of Part C of Schedule V read with Regulation 34 (3) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 I, hereby certify that none of the directors on the board of IOL CHEMICALS AND PHARMACEUTICALS LIMITED have been debarred or disqualified from being appointed or continuing as director of company by the SEBI/MCA or any such statutory authority at any time during the financial year from 01 April 2018 to 31 March 2019.

For B.K. Gupta & Associates
Company Secretaries

Sd/-
(Bhupesh Gupta)
FCS No.: 4590
C P No.: 5708

Place : Ludhiana
Date : 29 May 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of IOL Chemicals and Pharmaceuticals Limited

Report on the Audit of the Financial Statements**Opinion**

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

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 profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the 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.

S. No.	Key audit matter	Auditor's response
1.	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)	<p>Principal audit procedures</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.

S. No.	Key audit matter	Auditor's response
	<p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer Note 2(e) and Note 24 and Note 38 of Financial Statements</p>	<ul style="list-style-type: none"> Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. Tested the relevant management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> Read, analyzed and identified the distinct performance obligations in these contracts. Compared these performance obligations with that identified and recorded by the Company. Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. Samples in respect of revenue recorded for material contracts were tested using a combination of approved customer acceptances, subsequent invoicing and historical trend of collections and disputes. Sample of revenues disaggregated by type and product offerings was tested with the performance obligations specified in the underlying contracts. Performed analytical procedures for reasonableness of revenues disclosed by type and product offerings. We reviewed the collation of information used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. <p>Conclusion: Our procedures did not identify any material exceptions.</p>

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, Business Responsibility 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. We have nothing to report in this regard.

Management's responsibility for the financial statements

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

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

Auditor's responsibilities for the audit of the 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.

The procedures that we conducted and were required to be conducted form part of this report as Appendix 1.

Other matter

The financial statements of the Company for the year ended 31 March 2018 included in these financial statements have been audited by predecessor auditor (M/s SCV & Co. LLP) who vide their audit report dated 16 May 2018 expressed an unmodified opinion. Our Opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

1. As required by Companies (Auditor's Report) Order, 2016 ('the Order') issued by Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 34
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, if any, to the Investor Education and Protection Fund by the Company.

For and on behalf of
Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N
by the hand of

sd/-
Aditya Kumar

Partner

Membership No.: 506955

Place: Barnala
Dated: 29 May 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' Section of our report to the Members of IOL Chemicals and Pharmaceuticals Limited of even date)

1. In respect of fixed assets:
 - a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The Company has a regular program of physical verification of the fixed assets at reasonable intervals. In accordance with this program, certain fixed assets were verified during the year, and, no material discrepancies were noticed on such verification.
 - c) The Company has all the original title deeds of immovable properties in its own name.
2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable, and, the discrepancies noticed on physical verification of inventory were not material.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 189 of the Act.
4. According to the information and explanations given to us, the Company has not given any loans, purchased investment, given guarantees and security during the year. Therefore, the provision of Clause 3(iv) is not applicable to the Company.
5. The Company has not accepted any deposits from the Public. Therefore, the provisions of Clause 3(v) of the order is not applicable to the Company.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of such records with a view to determine whether they are accurate or complete.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, excise duty, customs duty, value added tax, cess and other material statutory dues with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, cess, sales tax, service tax, value added tax, customs duty and excise duty which have not been deposited on account of a dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, government, Bank or dues to debenture holders.
9. 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). The term loans outstanding at the beginning of the year were applied for the purposes for which they were obtained. No new term loans have been raised during the year.
10. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have, neither, come across any instance of fraud by the Company, or, any fraud on the Company by its officers or employees, noticed or reported during the year, nor, have we been informed of such case by the management.
11. In our opinion, and according to 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 Act.
12. The Company is not a nidhi company. Therefore, the provision of clause 3(xii) is not applicable to the Company.
13. In our opinion, and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 the Act. The details of such related party transactions have been disclosed in the financial statements as required by Ind AS-24 'Related Party Disclosures'.
14. During the year, the Company has made a preferential allotment of 6,82,000 equity shares at a price of ₹ 205/- per share to a promoter company. The Company has complied with requirements of Section 42 of Act with respect to such preferential allotment and the amounts so raised have been used for the purposes for which the funds were raised.
15. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors, or, persons connected with them.
16. In our opinion, and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf of
Ashwani & Associates
 Chartered Accountants
 Firm Registration Number: 000497N
 by the hand of

Sd/-
Aditya Kumar
 Partner

Place: Barnala
 Dated: 29 May 2019

Membership No.: 506955

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on other legal and regulatory requirements' Section of our report to the Members of IOL Chemicals and Pharmaceuticals Limited of even date)

Report on the internal financial controls over financial reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Management's responsibility for internal financial controls

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

Auditor's responsibility

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

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

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

Meaning of internal financial controls over financial reporting

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

Limitations of internal financial controls over financial reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N
by the hand of

Sd/-
Aditya Kumar

Partner

Membership No.: 506955

Place: Barnala
Dated: 29 May 2019

Appendix 1

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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 safeguard.

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.



BALANCE SHEET AS AT 31 MARCH 2019

Particulars	Note No.	₹ Crore	
		As at 31 March 2019	As at 31 March 2018
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	411.14	404.81
(b) Capital work-in-progress	3	27.02	6.95
(c) Intangible assets	3	0.58	0.83
(d) Financial assets			
(i) Other financial assets	4	7.45	1.90
(e) Deferred tax assets (net)	31	-	11.42
(f) Other non-current assets	5	7.63	1.53
Total non-current assets		453.82	427.44
2 Current Assets			
(a) Inventories	6	188.86	207.45
(b) Financial assets			
(i) Investments	7	0.06	0.06
(ii) Trade receivables	8	199.16	146.14
(iii) Cash and cash equivalents	9	13.41	0.74
(iv) Bank balances other than (iii) above	10	16.19	16.58
(v) Other financial assets	11	2.74	0.64
(c) Other current assets	12	67.64	53.06
Total current assets		488.06	424.67
TOTAL ASSETS		941.88	852.11
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	56.89	56.21
(b) Other equity	14	417.45	159.53
Total equity		474.34	215.74
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	189.88	258.12
(b) Provisions	16	4.59	2.04
(c) Deferred tax liabilities (net)	31	15.53	-
(d) Other non-current liabilities	17	0.65	31.55
Total non-current liabilities		210.65	291.71
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	67.72	135.27
(ii) Trade payables	19		
(A) Total outstanding dues of Micro enterprises and small enterprises		5.85	0.03
(B) Total outstanding dues of Creditors other than Micro enterprises and small enterprises		114.42	157.58
(iii) Other financial liabilities	20	61.34	49.51
(b) Other current liabilities	21	2.54	1.46
(c) Provisions	22	0.55	0.40
(d) Current tax liabilities (net)	23	4.47	0.41
Total current liabilities		256.89	344.66
TOTAL EQUITY AND LIABILITIES		941.88	852.11
Corporate information	1		
Significant accounting policies	2		
See accompanying notes forming part of financial statements			

As per our report of even date attached

For and on behalf of the board of directors

For Ashwani & AssociatesChartered Accountants
Firm Registration Number: 000497N
by the hand ofSd/-
Aditya Kumar
Partner
M.No. 506955Sd/-
Varinder Gupta
Managing Director
DIN-00044068Sd/-
Vijay Garg
Joint Managing Director
DIN-06510248Place : Barnala
Date : 29 May 2019Sd/-
Krishan Singla
Vice President
and Company SecretarySd/-
Pardeep Kumar Khanna
Chief Financial Officer

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

₹ Crore

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Income:			
I Revenue from operations	24	1,685.33	1,000.96
II Other income	25	10.37	6.33
III Total income (I+II)		1,695.70	1,007.29
IV Expenses:			
Cost of materials consumed	26	987.00	617.01
Purchase of stock-in-trade		8.94	-
Changes in inventories of finished goods and work-in-progress	27	51.31	78.27
Employee benefits expense	28	78.43	56.10
Finance costs	29	51.42	64.35
Depreciation and amortization expense	3	32.45	30.21
Excise duty on sale of goods		-	17.66
Other expenses	30	150.00	112.39
Total expenses (IV)		1,359.55	975.99
V Profit before exceptional items and tax (III-IV)		336.15	31.30
VI Exceptional items		-	-
VII Profit before tax (V-VI)		336.15	31.30
VIII Tax expense:			
Current tax	31	71.96	6.72
Deferred tax	31	27.49	(3.12)
Total tax expense		99.45	3.60
IX Profit for the year (VII-VIII)		236.70	27.70
X Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement (Gains)/Losses of defined benefit obligation		(2.15)	(0.99)
Income tax relating to items that will not be reclassified to profit or loss	31	0.75	0.34
		(1.40)	(0.65)
XI Total comprehensive income for the year (ix+x)		235.30	27.05
XII Earnings per equity share of ₹10/- each			
- Basic	32	42.11	4.93
- Diluted		42.11	4.93
- Cash		52.77	9.75
Corporate information	1		
Significant accounting policies	2		
See accompanying notes forming part of financial statements			

As per our report of even date attached

For and on behalf of the board of directors

For Ashwani & Associates

Chartered Accountants

Firm Registration Number: 000497N

by the hand of

Sd/-

Aditya Kumar

Partner

M.No. 506955

Sd/-

Varinder Gupta

Managing Director

DIN-00044068

Sd/-

Krishan Singla

Vice President

and Company Secretary

Sd/-

Vijay Garg

Joint Managing Director

DIN-06510248

Sd/-

Pardeep Kumar Khanna

Chief Financial Officer

Place : Barnala

Date : 29 May 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

Particulars	₹ Crore	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flow from operating activities		
Profit before tax	336.15	31.30
Adjustments for:		
Depreciation and amortisation expense	32.45	30.21
Loss/(Profit) on sale of non-current investment	-	(0.01)
Unrealised Loss/(Profit) on foreign currency rate fluctuation	0.16	(1.63)
Loss/(Gain) on fair valuation of investments measured through profit or loss	-	(0.01)
Subsidy Income amortized	(0.07)	(0.07)
Interest income on financial assets carried at amortized cost net of rent amortized during the year	(0.02)	-
Liabilities no longer required written back	(0.07)	(0.59)
Loss/(Profit) on property, plant and equipment sold (net)	0.02	0.04
Loss on property, plant and equipment discarded	-	0.53
Excess depreciation pertaining to earlier years	(0.16)	-
Interest expense	51.42	64.35
Interest income	(1.38)	(1.18)
	82.35	91.64
Operating profit before working capital changes	418.50	122.94
Changes in working capital:		
Increase/(Decrease) in trade payables and other liabilities	(18.33)	(17.38)
Decrease/(Increase) in trade and other receivables	(77.90)	(34.66)
Decrease/(Increase) in inventories	18.59	55.18
	(77.64)	3.14
Cash generated from operations	340.86	126.08
Income tax paid (net)	(67.69)	(6.36)
Net cash flow from/(used in) operating activities (A)	273.17	119.72
Cash flow from investing activities		
Purchase of property, plant and equipment including intangible assets and capital work -in-progress	(60.53)	(48.36)
Proceeds from sale of property, plant and equipment	0.76	0.07
Proceeds from sale of non-current investments	-	0.06
Interest received	1.30	1.27
Bank balances not considered as cash and cash equivalents	(4.57)	(3.42)
Net cash flow from/(used in) investing activities (B)	(63.04)	(50.38)
Cash flow from financing activities		
Proceeds from issuance of share capital and warrants	6.00	-
Proceeds from non current borrowings	0.35	3.03
Repayment of non current borrowings	(53.61)	(22.34)
Repayment of other non current liabilities	(30.77)	-
Proceeds from other non current liabilities	-	16.05
Repayment of current borrowing	(67.56)	(5.50)
Interest paid	(51.87)	(61.60)
Net cash flow from/(used in) financing activities (C)	(197.46)	(70.36)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	12.67	(1.02)
Cash and cash equivalents at the beginning of the year	0.74	1.76
Cash and cash equivalents at the end of the year *	13.41	0.74
* Comprises		
Balances with banks in current account	12.74	0.36
Cash on hand	0.67	0.38
	13.41	0.74

See accompanying notes to the financial statements

As per our report of even date attached

For and on behalf of the board of directors

For Ashwani & Associates

Chartered Accountants
Firm Registration Number: 000497N
by the hand of

Sd/-
Aditya Kumar
Partner
M.No. 506955

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Vijay Garg
Joint Managing Director
DIN-06510248

Place : Barnala
Date : 29 May 2019

Sd/-
Krishan Singla
Vice President
and Company Secretary

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

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

₹ Crore

Particulars	Equity share capital	Other equity					Total
		Reserves and Surplus			Other comprehensive income	Monies received against Share warrants	
		Capital reserve	Securities premium	Retained Earnings	Remeasurement of Defined benefit obligation		
Balance as at beginning of the reporting year 01/04/2018	56.21	10.76	176.97	(27.19)	(1.01)	-	215.74
Profit for the year transferred from statement of profit and loss	-	-	-	236.70	-	-	236.70
Other comprehensive income for the year (net of income tax)	-	-	-	-	(1.40)	-	(1.40)
Issuance of equity share capital during the year	0.68	-	13.30	-	-	-	13.98
Received during the year	-	-	-	-	-	23.30	23.30
Converted into equity share capital	-	-	-	-	-	(13.98)	(13.98)
Balance as at the end of the reporting year 31/03/2019	56.89	10.76	190.27	209.51	(2.41)	9.32	474.34

Statement of changes in Equity for the year ended 31 March 2018

₹ Crore

Particulars	Equity share capital	Other equity					Total
		Reserves and Surplus			Other comprehensive income	Monies received against Share warrants	
		Capital reserve	Securities premium	Retained Earnings	Remeasurement of Defined benefit obligation		
Balance as at beginning of the reporting year 01/04/2017	56.21	10.76	176.97	(54.89)	(0.35)	-	188.70
Profit for the year transferred from statement of profit and loss	-	-	-	27.70	-	-	27.70
Other comprehensive income for the year (net of income tax)	-	-	-	-	(0.66)	-	(0.66)
Issuance of equity share capital during the year	-	-	-	-	-	-	-
Received during the year	-	-	-	-	-	-	-
Converted into equity share capital	-	-	-	-	-	-	-
Balance as at the end of the reporting year 31/03/2018	56.21	10.76	176.97	(27.19)	(1.01)	-	215.74

As per our report of even date attached

For and on behalf of the board of directors

For Ashwani & AssociatesChartered Accountants
Firm Registration Number: 000497N
by the hand ofSd/-
Aditya Kumar
Partner
M.No. 506955Sd/-
Varinder Gupta
Managing Director
DIN-00044068Sd/-
Krishan Singla
Vice President
and Company SecretarySd/-
Vijay Garg
Joint Managing Director
DIN-06510248Sd/-
Pardeep Kumar Khanna
Chief Financial OfficerPlace : Barnala
Date : 29 May 2019

NOTES FORMING PART OF FINANCIAL STATEMENTS
Note:
1 Corporate information

IOL Chemicals and Pharmaceuticals Limited (“the Company”) is a public company domiciled in India and incorporated on 29 September, 1986 under the provisions of the Companies Act, 1956. The shares of the Company are listed on two stock exchanges in India i.e. at National Stock Exchange of India Limited (NSE) and at BSE Limited (BSE). The Company is engaged in the manufacturing and selling of API’s / bulk drugs and speciality chemicals. The Company caters to both domestic and international market.

The registered office of the Company is situated at Trident Complex, Raikot Road, Barnala- 148101, Punjab.

The financial statements are approved for issue by the Company’s Board of Directors on 29 May 2019.

Note:
2 (i) Significant accounting policies
a. Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (IND AS) specified under Section 133 of the Companies Act, 2013 (“the Act”) read with the Companies (Indian Accounting Standard) Rules, 2015, as amended from time to time. The financial statements have been prepared on going concern basis and all the applicable Ind AS effective as on the reporting date have been complied with.

b. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value.

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

c. Functional and presentation currency

The functional currency of the Company is Indian rupee (INR). The financial statements are presented in Indian rupees (INR) and all values are rounded to nearest crore upto two decimals, unless otherwise stated.

d. Use of estimates and judgements

The preparation of financial statements, in conformity with Ind AS requires management has made estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgement and use of assumption

in these financial statements have been disclosed in notes. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management become aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made, and if material, their effects are disclosed in the notes to the financial statements.

e. Revenue recognition from operations
i) Revenue from sale of goods and services

With effect from 01 April 2018, Ind AS 115–“Revenue from contracts with customers” supersedes Ind AS 18 – “Revenue” and related appendices. The Company has adopted Ind AS 115 using the modified retrospective approach. The application of Ind AS 115 did not have any material impact on recognition and measurement principles.

Revenue from contracts with customer is recognized when control of goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services, and excludes taxes and levies collected on behalf of the Government. In accordance with Ind AS 115 on revenue and Schedule III of Companies Act, 2013, duties levies like GST are not part of revenue.

Generally, control is transfer upon shipment of goods to the customer or when the goods are made available to the customer, provided the transfer of the title to the customer occurs and the Company has not retained any significant title of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognized overtime by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties. Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Generally the credit period varies between 0-90 days from the shipment or delivery of goods or services as the case may be.

In case of discounts, rebates, credits, price incentives or similar terms, considerations are determined based on its most likely amount, which is assessed at each reporting period.

ii) Export incentives

The revenue in respect of export benefits is recognised on post export basis at the rate at which the entitlements accrue.

NOTES FORMING PART OF FINANCIAL STATEMENTS

f. Other income

i) Dividend

Dividend income from investment is recognised when the right to receive the payment is established.

ii) Interest

Interest from customer

Revenue from interest is recognised on a time proportion basis taking into account the amount outstanding and rate applicable.

Other Interest

Interest income is recognised using effective interest rate (EIR).

iii) Insurance and other claims

Insurance and other claims are recognized when there exist no significant uncertainty with regard to the amount to be realized and the ultimate collection thereof.

g. Retirement and other employee benefits

Defined contribution plans**Provident fund:**

Employees receive benefit in the form of Provident fund which is a defined contribution plan. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Defined benefit plansi) **Gratuity:**

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

Liability with regard to Gratuity Plan is determined by actuarial valuation, performed by an independent actuary at each Balance sheet date using the project unit credit method.

The Company fully contributes all ascertained liabilities to the IOL Chemicals and Pharmaceuticals Ltd Group Gratuity Trust. Contributions are invested in a scheme with Life Insurance Corporation of India as permitted by Indian Law

The Company recognises the net obligation of a defined benefit plan in its Balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by

applying the discount rate used to measure the defined benefit obligations is recognized in Other Comprehensive Income.

ii) **Compensated absences**

The employees of the Company are entitled to compensated absences. The employee can carry forward a portion of unutilised accumulated compensated absences and utilise it in future period or encash the leaves on retirement or on termination. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the Balance Sheet date, the cost of providing benefit is determined based on actuarial valuation using projected unit credit method. Actuarial gain /loss are recognised in the statement of profit or loss in the period in which they occur. Non accumulating compensated absences are recognised in the period, in which the absences occur.

h. **Property, plant and equipment**

All items of property, plant and equipment are stated at cost less accumulated depreciation and impairment if any. Freehold land is stated at cost and not depreciated. The cost of an item of property, plant and equipment comprises:

- its purchase price net of recoverable taxes wherever applicable and any attributable expenditure (directly or indirectly) for bringing the asset to its working condition for its intended use.
- Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.
- Initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, if any, the obligation for which an entity incurs either where the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation on tangible property, plant and equipment has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of asset, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement and maintenance support, etc.:

	As per management estimate
General plant & equipment on triple shift basis	15 years
General plant & equipment on continuous process	15 Years

NOTES FORMING PART OF FINANCIAL STATEMENTS

Depreciation is calculated on pro-rata basis from the date of installation till the date the asset sold or discarded.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under Capital work-in-progress. The depreciation method, useful lives and residual value are reviewed periodically and at the end of each reporting period.

i. Intangible assets

Intangible assets are stated at cost less accumulated amount of amortisation and impairment if any. Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence etc. The amortization method, estimated useful lives are reviewed periodically and at end of each reporting period.

j. Inventories

Inventories are valued at cost or net realisable value whichever is lower. The cost in respect of various items of inventories is computed as under:

a)	Raw Material and Components	First in first out method plus direct expenses
b)	Stores and Spares	Weighted average method plus direct expenses
c)	Work-in-progress	Cost of material plus appropriate share of overheads thereon at different stage of completion.
d)	Finished Goods	Cost of material plus conversion cost, packing cost, and other overheads incurred to bring the goods to their present conditions and location.
e)	Material in Transit	Actual cost plus direct expenses to the extent incurred.

k. Government grants

The government grants are recognised only when there is a reasonable assurance of compliance that conditions attached to such grants shall be complied with and it is reasonably certain that the ultimate collection will be made.

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

Government grant in relation to fixed asset is treated as deferred income and is recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

l. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as a part of cost of such asset. Qualifying asset is one that takes substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expenditure in the period in which these are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange difference, if any, to the extent regarded as an adjustment to the borrowing cost.

m. Segment information

Segment information is prepared in conformity with Ind AS 108 "Operating Segments" and the accounting policies adopted for preparing and presenting the financial statements of the enterprise as a whole.

n. Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating lease.

Lease payments under operating leases are recognized as an expense on a straight line basis in the statement of profit and loss over the term of lease.

o. Foreign currency transactions

Transactions in foreign currency are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary items denominated in foreign currency are restated using the prevailing exchange rate as on balance sheet date.

Exchange differences arising on the settlement of monetary items or on reinstatement of monetary items at rates different from rates at which these were translated on initial recognition during the period or reported in previous financial statements as recognised in the statement of profit or loss in the period in which they arise.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss, within finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.

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

In case of an asset, expenses or income where a non-monetary advance is paid/ received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

NOTES FORMING PART OF FINANCIAL STATEMENTS
p. Accounting for taxes on income

Income tax expense comprises current income tax and deferred tax.

Current tax expense for the year is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred tax is recognised using the balance sheet approach on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Minimum Alternate Tax (MAT) paid as current tax expense in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as tax credit and recognised as deferred tax asset when there is reasonable certainty that the Company will pay normal income tax in the future years and future economic benefit associated with it will flow to the Company

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Deferred tax assets and deferred tax liabilities are off-set if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relates to the same taxable entity and the same taxation authority.

q. Earnings per share

Basic earnings per share are computed by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to

equity shareholder and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

r. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Initial recognition and measurement

All financial assets and liabilities are recognized at fair value on initial recognition.

Transaction cost in relation to financial assets and financial liabilities other than those carried at fair value through profit or loss (FVTPL) are added to the fair value on initial recognition.

Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are carried at fair value through profit or loss are immediately recognized in the statement of profit or loss.

ii. Subsequent measurement**➤ Non-derivative financial instruments****1. Financial assets carried at amortised cost**

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

2. Financial assets at fair value through other comprehensive income

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

The Company has made an irrevocable election for its investment which are classified as equity instruments to present the subsequent changes in fair value in

NOTES FORMING PART OF FINANCIAL STATEMENTS

other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investment which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

3. Financial assets at fair value through profit or loss

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

4. Financial liabilities

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

➤ **Financial assets or financial liability at fair value through profit or loss**

This category has financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading

or are expected to be realized within 12 months after the balance sheet date.

➤ **Cash flow hedge**

The Company has not designated derivative financial instruments as cash flow hedges.

➤ **Equity share capital**

Equity shares

Equity shares issued by the Company are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

De-recognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

Fair value of financial instruments

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

s. Impairment of assets

i) Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

ii) Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU (Cash Generating unit) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

t. Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) – 7 “Statement of Cash flows” using the indirect method for operating activities.

u. Cash and cash equivalent

Cash and cash equivalent for the purpose of statement of cash flows include bank balances, where the original maturity is three months or less. Other short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

v. Provisions and contingent liabilities

A provision is recognized if, as a result of past event, the Company has a present obligation (legal or constructive) and on management judgement that is reasonably

estimable and it is probable that an outflow of economic benefits will be required to settle the obligation.

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

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

w. Current and non-current classification

The Company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities. This is based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents. Current Assets and current liabilities includes current portion of non-current financial assets and non-current financial liabilities respectively.

2 (ii) Critical accounting estimates

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

Recoverable amount of property, plant and equipment

The recoverable amount of property plant and equipment is based on estimates and assumptions regarding the expected market outlook and expected future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

Post-retirement benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions including any changes in these

NOTES FORMING PART OF FINANCIAL STATEMENTS

assumptions that may have a material impact on the resulting calculations.

Recognition of deferred tax assets

Recognition of deferred tax assets depends upon the availability of future profits against which tax losses carried forward can be used.

2 (iii) Recent accounting pronouncements:**Standards issued but not effective**

On 30 March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – “Leases” and certain amendments to existing Ind AS. These amendments shall be applicable to the Company for annual reporting periods beginning on or after 01 April 2019.

A) Ind AS 116 – “Leases”

On 30 March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – “Leases”. The standard sets out the Principles for recognition, measurement, presentation and disclosures of leases for both lessor and lessee. The standard also contains enhanced disclosure requirements for lessees. The amendment is

applicable for annual reporting periods beginning on or after 01 April 2019.

B) Amendment to existing standards

The Ministry of Corporate Affairs (MCA) has also carried out amendments in the following accounting standards:

- i. Ind AS 101 – First time adoption of Indian Accounting Standards
- ii. Ind AS 103 – Business Combinations
- iii. Ind AS 109 – Financial Instruments
- iv. Ind AS 111 – Joint Arrangements
- v. Ind AS 12 – Income Taxes
- vi. Ind AS 19 – Employee Benefits
- vii. Ind AS 23 – Borrowing Costs
- viii. Ind AS 28 – Investment in Associates and Joint Ventures

The Company is evaluating the impact of above amendments on its financial statements.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 3: Property, plant and equipment

₹ Crore

Particulars	Gross block				Depreciation and amortisation				Net value	
	As at 01 April 2018	Additions	Disposals	As at 31 March 2019	As at 01 April 2018	For the year *	Eliminated on disposal of assets	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
A. Tangible assets										
Freehold land	11.60	-	-	11.60	-	-	-	-	11.60	11.60
Buildings	54.58	7.84	-	62.42	4.05	2.36	-	6.41	56.01	50.53
Plant and machinery	390.90	29.88	(0.55)	420.23	53.84	28.79	(0.08)	82.55	337.68	337.06
Furniture and fixtures	1.45	0.22	-	1.67	0.30	0.17	-	0.47	1.20	1.15
Vehicles	4.87	1.07	(0.22)	5.72	0.94	0.68	(0.09)	1.53	4.19	3.93
Office equipments	0.83	0.20	(0.06)	0.97	0.29	0.27	(0.05)	0.51	0.46	0.54
Subtotal	464.23	39.21	(0.83)	502.61	59.42	32.27	(0.22)	91.47	411.14	404.81
B. Intangible assets										
Computer softwares	0.75	-	-	0.75	0.23	0.13	-	0.36	0.39	0.52
Technical knowhow	0.55	-	-	0.55	0.24	0.12	-	0.36	0.19	0.31
Subtotal	1.30	-	-	1.30	0.47	0.25	-	0.72	0.58	0.83
Grand total	465.53	39.21	(0.83)	503.91	59.89	32.52	(0.22)	92.19	411.72	405.64

Particulars	As at 01 April 2018	Additions	Capitalised	As at 31 March 2019
Capital work-in-progress	6.95	54.48	34.41	27.02

* Depreciation for the current period	32.52
Less amount transferred from deferred revenue	(0.07)
Depreciation charged to statement of profit or loss	32.45

Note 3: Property, plant and equipment

₹ Crore

Particulars	Gross block				Depreciation and amortisation				Net value	
	As at 01 April 2017	Additions	Disposals	As at 31 March 2018	As at 01 April 2017	For the year *	Eliminated on disposal of assets	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
A. Tangible assets										
Freehold land	10.30	1.30	-	11.60	-	-	-	-	11.60	10.30
Buildings	43.85	10.74	(0.01)	54.58	2.07	1.98	-	4.05	50.53	41.78
Plant and machinery	343.53	47.99	(0.62)	390.90	26.88	27.07	(0.11)	53.84	337.06	316.65
Furniture and fixtures	1.21	0.24	-	1.45	0.14	0.16	-	0.30	1.15	1.07
Vehicles	3.13	1.87	(0.13)	4.87	0.39	0.59	(0.04)	0.94	3.93	2.74
Office equipments	0.59	0.39	(0.15)	0.83	0.19	0.23	(0.13)	0.29	0.54	0.40
Subtotal	402.61	62.53	(0.91)	464.23	29.67	30.03	(0.28)	59.42	404.81	372.94
B. Intangible assets										
Computer softwares	0.61	0.14	-	0.75	0.10	0.13	-	0.23	0.52	0.51
Technical knowhow	0.55	-	-	0.55	0.12	0.12	-	0.24	0.31	0.43
Subtotal	1.16	0.14	-	1.30	0.22	0.25	-	0.47	0.83	0.94
Grand total	403.77	62.67	(0.91)	465.53	29.89	30.28	(0.28)	59.89	405.64	373.88

Particulars	As at 01 April 2017	Additions	Capitalised	As at 31 March 2018
Capital work-in-progress	2.31	25.20	20.56	6.95

* Depreciation for the year 2017-18	30.28
Less amount transferred from deferred revenue	(0.07)
Depreciation charged to statement of profit or loss	30.21

Notes:

- The tangible assets are hypothecated /mortgaged to secure borrowings of the company (refer note 15)
- All property, plant and equipment and intangible assets carried in balance sheet as at 01 April 2016 are in accordance with previous GAAP. The company had elected to regard such carrying value as deemed cost at the date of transition.
- No borrowing cost has been capitalized during the current and previous year.

NOTES FORMING PART OF FINANCIAL STATEMENTS
4 Other financial assets - non current

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
Security deposit (to related parties)	0.60	-
Balances with banks in earmarked accounts to the extent held as margin money against borrowings and other commitments		
Fixed deposits account with original and remaining maturity of more than twelve months	6.85	1.90
	7.45	1.90

5 Other non current assets

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
(Unsecured considered good)		
Advances for Property, plant and equipment	6.49	1.19
Balances with Government authorities	-	0.04
Security deposit		
PSPCL	0.66	-
Security deposit	0.03	0.03
Lease hold land prepayments	0.16	0.17
Prepaid expenses	0.29	0.10
	7.63	1.53

6 Inventories *

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
Raw materials (including ₹ 35.81 Crore as at 31 March 2019 and ₹ 18.28 crore as at 31 March 2018 in transit)	84.01	49.80
Work-in-progress	29.35	128.95
Finished Goods (including ₹ 32.28 Crore as at 31 March 2019 and ₹ 1.80 Crore as at 31 March 2018 goods in transit)	65.21	16.92
Stores and Spares	10.29	11.78
	188.86	207.45

* At cost or net realisable value, whichever is lower

Inventories includes ₹ 12.97 crore as at 31 March 2019 and ₹ 14.07 crore as at 31 March 2018 valued at net realisable value

Cost of inventory recognised as expense during the current year ₹ 1065.63 Crore (Previous year ₹ 676.67 Crore)

7 Investments - Current

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
Investment carried at fair value through Profit or loss (FVTPL)		
Investment in mutual funds (quoted)		
8264.176 (8264.176 as at 31 March 2018) units of ₹ 10/- each of PNB Principal balanced fund- Regular plan growth	0.06	0.06
Total	0.06	0.06
Investment at cost		
8264.176 (8264.176 as at 31 March 2018) units of ₹ 10/- each of PNB Principal balanced fund- Regular plan growth	0.05	0.05
Total (at cost)	0.05	0.05
Aggregate amount of quoted investments	0.06	0.06
Market value of quoted investments	0.06	0.06
Aggregate amount of impairment in value of investment	-	-

8 Trade receivables

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
Trade receivables considered good - Unsecured		
From related parties (refer note 39)	1.63	-
Trade receivables considered good - Unsecured *	197.46	145.91
Trade receivables which have significant increase in credit risk	0.07	0.23
Trade receivables- credit impaired	0.20	0.27
Less: Allowances for expected credit loss and doubtful receivables	(0.20)	(0.27)
	199.16	146.14

Expected credit loss allowance for trade receivable is based on historical credit loss experience and adjustment for forward looking information.

* Net of bill discounted from banks ₹ 36.59 Crore- (Previous year ₹ 24.78 Crore)

No trade or other receivables are due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private limited companies respectively in which any director is a partner or a director or a member except Vivachem Intermediates Pvt. Ltd. amounting to ₹ 1.63 Crore (Previous year nil)

9 Cash and cash equivalents

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
Balances with banks		
- In current accounts	12.74	0.36
Cash on hand	0.67	0.38
	13.41	0.74

NOTES FORMING PART OF FINANCIAL STATEMENTS

10 Other bank balances

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
Balances with banks in earmarked accounts to the extent held as margin money against borrowings and other commitments		
Fixed deposits with original maturity of more than three months but less than twelve months	13.60	12.23
Fixed deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	2.59	4.35
	16.19	16.58

11 Other financial assets - Current

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
Unsecured considered good		
Interest receivables	0.71	0.63
Other recoverable	0.28	0.01
Receivable against capital goods		
- From related parties (refer note 39)	1.75	-
	2.74	0.64

No receivable against capital goods are due by directors or other officers of the Group or any of them either severally or jointly with any other persons or amounts due by firms or private limited companies respectively in which any director is a partner or a director or a member except Vivachem Intermediates Pvt. Ltd. amounting to ₹ 1.75 Crore (Previous year nil)

12 Other current assets

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
Unsecured considered good unless otherwise stated		
Advances to vendors		
- to related party (refer note 39)	23.77	17.95
- to others	17.16	7.05
Prepaid expenses	4.87	2.57
Loans and advances to employees	0.28	0.28
Balance and deposits with government department or others	21.51	25.20
Security deposit	0.04	-
Lease hold land prepayments	0.01	0.01
	67.64	53.06

13 Equity share capital

Particulars	₹ Crore			
	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
Authorised				
Equity shares of ₹ 10/- each (par value)	8,00,00,000	80.00	5,80,00,000	58.00
Preference shares ₹ 10/- each (par value)	-	-	2,20,00,000	22.00
Total	8,00,00,000	80.00	8,00,00,000	80.00
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10/- each (par value)	5,68,87,502	56.89	5,62,05,502	56.21
Total	5,68,87,502	56.89	5,62,05,502	56.21

a. Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	₹ Crore			
	Equity shares capital		Equity shares capital	
	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
Issued, subscribed and paid-up equity shares				
Shares and share capital outstanding at the beginning of the period	56,205,502	56.21	56,205,502	56.21
Shares and share capital issued during the period	682,000	0.68	-	-
Shares and share capital outstanding at the end of the period	56,887,502	56.89	56,205,502	56.21

b. Rights, preferences and restrictions attached to equity shares

The Company presently has one class of equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the 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.

The Company has not declared dividend during the year ended 31 March 2019.

Rights attached to preference shares

The company has not issued preference shares during the current and previous year.



NOTES FORMING PART OF FINANCIAL STATEMENTS

c. The details of equity shareholders holding more than 5% of the aggregate equity shares

Particulars	Equity shares capital			
	31 March 2019		31 March 2018	
	Number of shares held	% share-holding	Number of shares held	% share-holding
Vasudeva Commercials Limited	1,08,90,000	19.14%	1,08,90,000	19.38%
Mayadevi Polycot Limited	1,00,06,323	17.59%	1,00,06,323	17.80%
NM Merchandiles Limited	50,75,571	8.92%	50,75,571	9.03%
NCG Enterprises Limited	32,84,393	5.77%	32,84,393	5.84%
Bhudeva Lifesciences Limited	28,73,714	5.05%	28,73,714	5.11%

- d. There are no shares issued without payment being received in cash during the last five years.
- e. There are no buy back of equity shares during the last five years.
- f. There are no bonus shares issued during the last five years.
- g. There is no holding / ultimate holding company of the company.

14 Other Equity

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
a. Capital reserve (Balance at the beginning and end of the year)	10.76	10.76
b. Securities premium		
Opening balance	176.97	176.97
Add: Securities premium on allotment of equity shares	13.30	-
Closing balance	190.27	176.97
c. Retained earnings		
Opening balance	(27.19)	(54.89)
Add: Profit for the year	236.70	27.70
Closing balance	209.51	(27.19)
d. Items of other comprehensive income:		
Remeasurements of defined benefit liability/(asset)		
Opening balance	(1.01)	(0.35)
Add: Remeasurements of defined benefit liability/(asset)	(1.40)	(0.66)
Closing balance	(2.41)	(1.01)
e. Monies received against Share warrants		
Opening balance	-	-
Add: Received during the year	23.30	-
Less: Converted into equity shares	(13.98)	-
Closing balance	9.32	-
Total	417.45	159.53

Nature and purpose of reserve

Capital reserve: The excess of net assets taken, over the cost of consideration paid, were treated as capital reserve in accordance with previous GAAP.

Securities premium: The amount received in excess of face value of the equity shares is recognised in securities premium. It can be utilized in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc.

Retained earnings: Retained earnings, if any, represents the net profits after all distributions and transfers to other reserves.

Other comprehensive income: Remeasurements of defined benefit plan comprises actuarial gains and losses and return on plan assets (excluding interest income).

Monies received against Share warrants

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
18,18,000 (Previous Year Nil) equity warrants, allotted on preferential basis, carrying an option to the holder of such warrants to subscribe to one equity share of ₹10/- each at a premium of ₹195/- per share for every warrant held, within 18 months from the date of allotment, i.e. from 30 March 2019 (25% of price fixed has been received by conversion of unsecured loan)	9.32	-

During the year the Company has issued 25,00,000 warrants at a price on ₹ 205/- per warrant on preferential basis to Towels Enterprises Limited, promoter company on partially conversion of unsecured loan into warrants with an option to subscribe to an equity share of face value of ₹ 10/- at a price of ₹ 205/- per equity share including premium of ₹ 195/- per share for each warrant with in the period of eighteen months from the date of allotment of warrant i.e. from 30 March 2019

Out of 25,00,000 warrants, the Company on 30 March 2019 has converted 6,82,000 warrants into equity share of face value of ₹10 at a price of ₹ 205/- per equity share including premium of ₹195/- per share for each warrant.

15 Borrowings (Non current)

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
Term Loans - secured		
From banks	193.66	235.08
{net of unamortized processing charges as at 31 March 19: ₹ 0.47 Crore and as at 31 March 18: ₹ 0.61 Crore}		
Less: Current maturities	23.12	23.68
Subtotal	170.54	211.40
From financial institutions	21.85	26.70
{net of unamortized processing charges as at 31 March 19: ₹ 0.12 Crore and as at 31 March 18: ₹ 0.15 Crore}		
Less: Current maturities	2.65	2.70
Subtotal	19.20	24.00
Other loans - secured	0.77	1.55
Less: Current maturities	0.63	0.79
Subtotal	0.14	0.76
Total term loans - secured	216.28	263.33

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
Less: Current maturities	26.40	27.17
Total (A)	189.88	236.16
From related parties	-	16.98
Less: Current maturities	-	-
Total (B)	-	16.98
Other loans and advances (unsecured)		
From NBFC / Bank	-	6.30
{net of unamortized processing charges as at 31 March 19: Nil and as at 31 March 18: ₹ 0.05 Crore}		
Less: Current maturities	-	1.32
Total (C)	-	4.98
Total borrowings	216.28	286.61
Less: Current maturities	26.40	28.49
Total borrowings (non current) (A+B+C)	189.88	258.12

A Details of security for term loans

- Term loans from banks and financial institutions are secured by way of equitable mortgage of all present and future immovable properties of the company ranking pari-passu charge by way of hypothecation of all the Company's movable properties, save and except Book Debts but including movable machinery, spares, tools and accessories both present and future subject to prior charges created / to be created in favour of the Company's Bankers on specified movable properties for securing borrowings for working capital requirements.
- Further, the term loans from banks and financial institutions are secured by second pari-passu charge on all current assets present and future and the personal guarantee of the Managing Director of the company and his family members and corporate guarantee by a promoter company.
- Term loan from others are secured by hypothecation of vehicles purchased against these loans.

B Terms of repayment of term loans from banks/ financial institutions/NBFC*

Particulars	Principal balance outstanding as at 31.03.2019	Principal balance outstanding as at 31.03.2018	Total repayment period (years)		No. of installments outstanding		Periodicity of repayment	
			Current year	Previous year	Current year	Previous year	Current year	Previous year
Term Loans from Banks (secured)								
Punjab National Bank	121.28	147.02	8 to 9.5	6.5 to 9.5	20	12 to 24	Quarterly	Quarterly
Allahabad Bank	46.10	56.11	8 to 9.5	6.5 to 9.5	20	12 to 24	Quarterly	Quarterly
State Bank of India	8.50	10.34	8 to 9.5	6.5 to 9.5	20	12 to 24	Quarterly	Quarterly
Oriental Bank of Commerce	18.27	22.22	8 to 9.5	6.5 to 9.5	20	12 to 24	Quarterly	Quarterly
Term Loans from Financial Institutions (secured)								
Export-Import Bank of India	21.96	26.85	8 to 9.5	6.5 to 9.5	20	12 to 24	Quarterly	Quarterly
Vehicle loans from banks (secured)								
	0.76	1.55	3 to 5	3 to 5	4 to 21	2 to 33	Monthly	Monthly
Total secured borrowings	216.87	264.09						
Other loan from NBFC (unsecured)								
India Infoline Housing Finance Limited	-	6.37	-	5	-	49	-	Monthly

* Principal balance outstanding as stated above is inclusive of current maturities of long term debt and processing fee charged by the lenders.

Unsecured loans from related party has been brought in pursuance to the stipulation imposed by lending banks.

16 Provisions - Non current

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits:		
- Gratuity	3.39	1.42
- Compensated absences	1.20	0.62
	4.59	2.04

17 Other non current liabilities

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
Long term trade deposits	-	30.77
Deferred capital grants related to property, plant and equipment	0.65	0.78
	0.65	31.55

18 Borrowings - Current

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
Loan repayable on demand		
- From banks (secured)	67.72	135.27
	67.72	135.27

Details of security

Loans repayable on demand from banks are secured by way of first pari-passu charge on all present and future finished goods, work-in-progress, raw materials, stores and spares, book debts and second pari-passu charge on fixed assets and further secured by personal guarantee of the Managing Director of the company and his family members and corporate guarantee by a promoter company.

Terms:-

Working capital borrowings from banks are repayable on demand.

19 Trade payable - Current

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
i) Outstanding dues of micro enterprises and small enterprises (refer note 46)	5.85	0.03
ii) Outstanding dues of Creditors other than micro enterprises and small enterprises		
- to related parties (refer note 39)	2.70	-
- to others	111.72	157.58
	120.27	157.61

NOTES FORMING PART OF FINANCIAL STATEMENTS
20 Other financial liabilities - Current

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
Current maturities of long term borrowings (secured) (refer note no.15)	26.40	28.49
Interest accrued but not due on borrowings	1.88	2.57
Advances from customers	17.65	5.42
Others payables		
Payable to employees		
- to related parties (refer note 39)	0.32	0.09
- to others	7.05	5.17
Expenses payable		
- to related parties (refer note 39)	0.01	-
- to others	7.15	5.64
(a)	60.46	47.38
Payable on purchase of property, plant and equipment (b)	0.88	2.13
Total (a+b)	61.34	49.51

21 Other current liabilities

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
Statutory remittances*	1.98	1.22
Deferred capital grants related to property, plant and equipment	0.13	0.13
Other payable	0.36	0.03
Security deposit	0.07	0.08
	2.54	1.46

* Statutory remittance includes contribution to provident fund, ESI, punjab labour welfare fund and tax deducted at source

22 Current provisions

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits:		
- Gratuity	0.43	0.31
- Compensated absences	0.12	0.09
	0.55	0.40

23 Current tax liabilities

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
Provision for current tax	71.96	6.72
Less: Advance tax	67.49	6.31
Current tax (net)	4.47	0.41

24 Revenue from operations

Particulars	₹ Crore	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of products	1,645.59	979.80
Other operating revenue		
(i) Export incentives	23.58	12.00
(ii) Miscellaneous sales	6.73	9.16
	1,675.90	1,000.96
Sale of traded goods	9.43	-
	1,685.33	1,000.96
Details of sale of products		
- Chemicals	537.40	351.11
- Bulk drugs	1,068.92	604.59
- Others	39.27	24.10
	1,645.59	979.80

25 Other income

Particulars	₹ Crore	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income (Gross)		
- From bank deposits	1.38	1.18
TDS ₹0.14 Crore (Previous year ₹0.12 Crore)		
- On financial assets carried at amortized cost	0.06	-
Other non operating income		
Liabilities no longer required written back	0.07	0.59
Rent received	0.02	0.02
Gain on sale of non current investment measured at FVTPL	-	0.01
Currency rate fluctuation	8.12	4.43
Gain on fair value changes of financial assets measured at FVTPL	-	0.01
Amortization of capital subsidy	0.07	0.07
Miscellaneous income	0.65	0.02
	10.37	6.33

26 Cost of material consumed

Particulars	₹ Crore	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Raw material consumed		
Opening Stocks	49.80	25.70
Add: Purchases	1,021.21	641.11
Total	1,071.01	666.81
Less: Closing stocks	84.01	49.80
Consumption (refer detail below)	987.00	617.01
Detail of material consumed		
Acetic Acid	266.90	141.64
Specially Denatured Spirit	165.82	131.67
Sodium Di Chromate	68.92	49.09
Acetic Anhydride	60.77	43.37
Sodium Metal	54.07	42.34
Toluene	53.40	39.76
Others	317.12	169.14
	987.00	617.01

NOTES FORMING PART OF FINANCIAL STATEMENTS

27 Changes in inventories of finished goods and work-in-progress

Particulars	₹ Crore	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventories at the beginning of the year		
Work-in-progress	128.95	214.47
Finished goods	16.92	10.89
	145.87	225.36
Inventories at the end of the year		
Work-in-progress	29.35	128.95
Finished goods	65.21	16.92
	94.56	145.87
Net (increase) / decrease in opening and closing stock	51.31	79.49
Net movement in excise duty on finished goods	-	(1.22)
	51.31	78.27

28 Employee benefits expense

Particulars	₹ Crore	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	70.68	50.09
Contribution to provident and other funds	5.00	3.91
Staff welfare expenses	2.75	2.10
	78.43	56.10

29 Finance cost

Particulars	₹ Crore	
	For the year ended 31 March 2019	For the year ended 31 March 2018
a) Interest expense on:		
i) Term loans and working capital	40.42	49.75
ii) other borrowings	6.23	9.25
b) Other borrowing costs	4.54	5.16
c) Processing charges amortized	0.23	0.19
	51.42	64.35

30 Other expenses

Particulars	₹ Crore	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Power and fuel	63.94	45.66
Consumption of stores and spares	19.70	16.24
Repairs and maintenance		
- Plant and machinery	2.88	2.65
- Building	2.69	3.20
- Others	0.41	0.48
Rent	0.94	0.11
Insurance charges	1.27	0.94
Auditor's remuneration (refer note 45)	0.19	0.07
Rates and taxes	0.47	0.27
Loss on property, plant and equipment sold (net)	0.02	0.04
Loss on property, plant and equipment discarded	-	0.53
Allowance for expected credit loss and doubtful receivables	0.02	0.27
Freight outward	37.25	25.81
Other selling and distribution expenses	9.36	7.92
Miscellaneous expenses	10.86	8.20
	150.00	112.39

31 Current tax and deferred tax

(a) Income tax recognised in statement of profit and loss

Particulars	₹ Crore	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax		
In respect of current period	71.96	6.72
Total (A)	71.96	6.72
Deferred tax		
In respect of current period	70.07	3.60
MAT credit entitlement for the current period	(42.58)	(6.72)
Total (B)	27.49	(3.12)
Total Income tax expense (A+B)	99.45	3.60

(b) Income tax recognised in other comprehensive income

Particulars	₹ Crore	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Deferred tax assets	0.75	0.34
Total	0.75	0.34

NOTES FORMING PART OF FINANCIAL STATEMENTS
(c) Reconciliation of tax expense and the profit before tax multiplied by statutory tax rate

Particulars	₹ Crore	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax	336.15	31.30
Income tax expense calculated at statutory tax rate of 34.9440% (Previous year 34.6080%)	117.46	10.83
Add: Tax impact of expenses not considered for tax purposes	0.13	0.01
Less: Tax impact of Income not considered for tax purposes	(0.02)	(0.02)
Less: Tax impact of expenses availed on payment basis	(9.92)	-
Less: Tax impact of allowances of permanent nature	(3.24)	(0.67)
Less: Tax impact of unabsorbed depreciation and carried forward loss of earlier years	(0.67)	(6.55)
Less: Tax savings on deductions under Section 80 IA	(4.29)	-
Tax expense charged to statement of profit and loss at effective rate of 29.58% (Previous Year 11.51%)	99.45	3.60

(d) Movement in deferred tax balances

Particulars	₹ Crore				
	As at 01 April 2018	Recognised in Profit and loss	Recognised in OCI	MAT credit entitlement of previous year	As at 31 March 2019
Deferred tax liabilities					
Property, plant and equipment	72.71	2.56	-	-	75.27
Intangible assets	0.19	(0.06)	-	-	0.13
Fair valuation gain on investments	0.01	-	-	-	0.01
Gross deferred tax liabilities (A)	72.91	2.50	-	-	75.41
Deferred tax assets					
On unabsorbed depreciation as per income tax	69.30	(69.30)	-	-	-
Gratuity	-	1.34	-	-	1.34
Leave encashment	-	0.39	-	-	0.39
Remeasurement of defined benefit obligations	0.53	-	0.75	-	1.28
Gross deferred tax assets (B)	69.83	(67.57)	0.75	-	3.01
MAT credit entitlement (C)	14.50	42.58	-	(0.21)	56.87
Net Tax (Asset)/Liabilities (A-B-C)	(11.42)	27.49	(0.75)	0.21	15.53

32 Earning per share

The Earning per share (EPS) as disclosed in the statement of profit and loss has been calculated as under:

Particulars		₹ Crore	
		For the year ended 31 March 2019	For the year ended 31 March 2018
Total operations for the period			
Profit after tax attributable to equity shareholders (₹ in Crore)	A	236.70	27.70
Depreciation and amortization expense (₹ in Crore)	B	32.45	30.21
Deferred Tax (₹ in Crore)	C	27.49	(3.12)
Cash profit after tax attributable to equity shareholders (₹ in Crore)	D= A+B+C	296.64	54.79
Weighted average number of equity shares (number)	E	5,62,09,239	5,62,05,502
Weighted average number of equity shares in computing diluted earning per share (number)	F	5,62,09,239	5,62,05,502
Basic earnings per share (₹)	A/E	42.11	4.93
Diluted earnings per share (₹)	A/F	42.11	4.93
Cash earnings per share (₹)	D/E	52.77	9.75
Face value per equity share (₹)		10.00	10.00

NOTES FORMING PART OF FINANCIAL STATEMENTS

33 Research and development expenses

Particulars	₹ Crore	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Research and Development: Revenue expenses		
Raw material consumption	0.58	0.14
Salaries & wages	3.31	2.23
Depreciation	0.77	0.61
Stores and spares	0.84	0.70
Cost of utilities	0.25	0.22
	<u>5.75</u>	<u>3.90</u>
Research and Development: Capital expenses		
Additions to fixed assets	1.56	1.14

The revenue expenses related to research and development is clubbed under respective account heads in profit and loss

34 Contingent liabilities and commitments (to the extent not provided for)

Particulars	₹ Crore	
	For the year ended 31 March 2019	For the year ended 31 March 2018
A Contingent liabilities		
i Claims not acknowledged as debts	0.70	0.17
ii Bank Guarantee issued in favour of others	0.04	0.04
	<u>0.74</u>	<u>0.21</u>

35 Employee benefits

A Defined benefit plan: Gratuity

The following table set out the funded status of the gratuity plan and the amount recognised in the company's financial statement as at 31 March 2019 and 31 March 2018.

		₹ Crore	
		Gratuity 31 March 2019	Gratuity 31 March 2018
i) Changes in the present value of the obligation			
Present value of obligation as at the beginning of the year		7.25	5.28
Interest cost		0.56	0.40
Current service cost		1.03	0.67
Benefits paid		(0.60)	(0.14)
Remeasurement - actuarial (gain) / loss		2.18	1.04
Present value of obligation as at the end of the year	A	<u>10.42</u>	<u>7.25</u>
ii) Changes in the fair value of plan assets			
Fair value of plan assets as at the beginning of the year		5.53	4.26
Actual return on plan assets		0.46	0.37
Contribution		1.31	1.11
Charges deducted		(0.10)	(0.08)
Benefits paid		(0.60)	(0.14)
Fair value of plan assets as at the end of the year	B	<u>6.60</u>	<u>5.52</u>
Funded Status	(A-B)	<u>3.82</u>	<u>1.73</u>

Particulars	₹ Crore	
	For the year ended 31 March 2019	For the year ended 31 March 2018
B Commitments		
i Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	11.45	1.14
ii Export obligations under advance authorisation/ duty free import authorisation #	84.49	39.78
	<u>95.94</u>	<u>40.92</u>

During the year, the Company has executed bonds for an aggregate amount of ₹ 20.81 Crore (Previous Year ₹ 8.76 Crore) in favour of the President of India under sub Section (I) of the Section 142 of the Custom Act 1962 for fulfillment of the obligation under the said Act.



NOTES FORMING PART OF FINANCIAL STATEMENTS

	Gratuity 31 March 2019	Gratuity 31 March 2018
iii) Amount recognised in the Balance Sheet		
Present value of the defined benefit obligation	10.42	7.25
Fair value of plan assets	(6.60)	(5.52)
Net (Asset)/Liability	<u>3.82</u>	<u>1.73</u>
iv) Expense recognised in the statement of profit and loss		
Current service cost	1.03	0.67
Net interest cost	0.13	0.08
Expense recognised in the income statement	<u>1.16</u>	<u>0.75</u>
v) Re-measurement of the net defined benefit liability / (asset)		
Actuarial gain / (losses)	2.18	1.04
(Return) / loss on plan assets	(0.03)	(0.05)
	<u>2.15</u>	<u>0.99</u>
vi) Bifurcation of actuarial (gain) / loss		
Actuarial (Gain) / loss on arising from change in demographic assumption	-	-
Actuarial (Gain) / loss on arising from change in financial assumption	0.49	(0.15)
Actuarial (Gain) / loss on arising from change in experience assumption	1.69	1.19
	<u>2.18</u>	<u>1.04</u>
vii) The major categories of plan assets as a percentage of the fair value of total plan assets		
Investment with the insurer	100%	100%
The plan assets are maintained with Life Insurance Corporation of India (LIC). The detail of investments maintained by LIC have not been furnished to the Company. The same have therefore not been disclosed.		
viii) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted average):		
Discount rate (per annum)	7.65%	7.75%
Rate of increase in compensation levels (per annum)	6.00%	5.50%
Average remaining working lives of employees (years)	26.88	26.18
Method used	Projected unit credit	

The assumptions and methodology used in actuarial valuation are consistent with the requirements of Ind AS 19

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

- x) **Sensitivity analysis of the defined benefit obligation:**

	₹ Crore	
	Gratuity 31 March 2019	Gratuity 31 March 2018
a) Impact of change in discount rate		
Present value of obligation at the end of the period	10.42	7.25
1. Impact due to increase of 0.50%	(0.64)	(0.45)
2. Impact due to decrease of 0.50%	0.58	0.41
b) Impact of change in salary increase		
Present value of obligation at the end of the period	10.42	7.25
1. Impact due to increase of 0.50%	0.59	0.42
2. Impact due to decrease of 0.50%	(0.66)	(0.46)

As per Actuarial certificate, sensitivities due to mortality and withdrawals are insignificant and hence impact of change has not been calculated.

NOTES FORMING PART OF FINANCIAL STATEMENTS

xi) Maturity profile of defined benefit obligation:

	Gratuity 31 March 2019	Gratuity 31 March 2018
Year ending		
a) March 31, 2020	0.29	0.21
b) March 31, 2021	2.58	0.02
c) March 31, 2022	0.30	1.68
d) March 31, 2023	0.20	0.23
e) March 31, 2024	0.24	0.17
f) March 31, 2025	0.17	0.50
g) March 31, 2025 onwards	9.01	6.73

xii) Actuarial risks exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- Salary increases - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- Investment risk - If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount rate- Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality and disability - Actual death and disability cases proving lower or higher than assumed in the valuation can impact the liabilities
- Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact Plan's liability.

xiii) The Company expects to contribute ₹ 1.43 Crore to the gratuity trust during the fiscal 2019-20

xiv) Bifurcation of projected benefit obligation (PBO) at the end of the year in current and non-current

	Gratuity 2019-20	Gratuity 2018-19
Current liability (amount due within one year)	0.43	0.31
Non-current liability (amount due over one year)	9.99	6.94
Total PBO at the end of year	<u>10.42</u>	<u>7.25</u>

B Contribution to provident fund

The company has recognized an expense of ₹ 3.49 Crore (Previous year ₹ 2.66 Crore) in respect of contribution to Provident Fund.

36 Disclosures as required by Indian Accounting Standard (Ind AS) 17 Lease

Operating lease commitments:

The Company's significant leasing arrangements are in respect of operating leases for premises (residential, godown etc.). These leasing arrangements, which are non-cancellable with range from 11 months to 99 years and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Rent under 'Other Expenses'.

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	₹ Crore	
	As at 31 March 2019	As at 31 March 2018
a) Not later than one year	1.07	0.08
b) Later than one year but not later than five years	3.60	0.08
c) later than five years	1.01	0.18
	<u>5.68</u>	<u>0.34</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS
37. Disclosures of financial instruments

(a) The carrying value and fair value of financial instruments by categories at the end of each reporting period is pending at the end as follows:

As at 31 March 2019

₹ Crore

Particulars	Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Other non-current financial assets	7.45	-	-	-	-	7.45	7.45
Current Investments	-	-	0.06	-	-	0.06	0.06
Trade receivables	199.16	-	-	-	-	199.16	199.16
Cash and bank balances	13.41	-	-	-	-	13.41	13.41
Other bank balances	16.19	-	-	-	-	16.19	16.19
Other financial current assets	2.74	-	-	-	-	2.74	2.74
Total	238.95	-	0.06	-	-	239.01	239.01
Liabilities:							
Long term borrowings	189.88	-	-	-	-	189.88	189.88
Short term borrowings	67.72	-	-	-	-	67.72	67.72
Trade payables	120.27	-	-	-	-	120.27	120.27
Other financial current liabilities	61.34	-	-	-	-	61.34	61.34
Total	439.21	-	-	-	-	439.21	439.21

As at 31 March 2018

₹ Crore

Particulars	Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Other non-current financial assets	1.90	-	-	-	-	1.90	1.90
Current Investments	-	-	0.06	-	-	0.06	0.06
Trade receivables	146.14	-	-	-	-	146.14	146.14
Cash and bank balances	0.74	-	-	-	-	0.74	0.74
Other bank balances	16.58	-	-	-	-	16.58	16.58
Other financial current assets	0.64	-	-	-	-	0.64	0.64
Total	166.00	-	0.06	-	-	166.06	166.06
Liabilities:							
Long term borrowings	258.12	-	-	-	-	258.12	258.12
Short term borrowings	135.27	-	-	-	-	135.27	135.27
Trade Payables	157.61	-	-	-	-	157.61	157.61
Other financial current liabilities	49.51	-	-	-	-	49.51	49.51
Total	600.51	-	-	-	-	600.51	600.51

(b) Basis of fair value of financial assets and liabilities
(i) Fair value hierarchy

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

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

NOTES FORMING PART OF FINANCIAL STATEMENTS

- (ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

As at 31 March 2019

Particulars	Fair Value As at 31 March 2019	Fair Value measurement using		
		Level 1	Level 2	Level 3
₹ Crore				
Fair value through Profit and loss				
Current investments in Mutual funds	0.06	0.06	-	-
Financial assets at amortized cost				
Other non-current financial assets	7.45	-	0.60	6.85
Trade receivables	199.16	-	-	199.16
Cash and bank balances	13.41	-	-	13.41
Other Bank Balances	16.19	-	-	16.19
Other financial current assets	2.74	-	-	2.74
Total	239.01	0.06	0.60	238.35
Financial liabilities at amortized cost				
Long term borrowings	189.88	-	-	189.88
Short term borrowings	67.72	-	-	67.72
Trade Payables	120.27	-	-	120.27
Other financial current liabilities	61.34	-	-	61.34
Total	439.21	-	-	439.21

As at 31 March 2018

Particulars	Fair Value As at 31-Mar-2018	Fair Value measurement using		
		Level 1	Level 2	Level 3
₹ Crore				
Fair value through profit and loss				
Current investments in Mutual funds	0.06	0.06	-	-
Financial assets at amortized cost				
Other non-current financial assets	1.90	-	-	1.90
Trade receivables	146.14	-	-	146.14
Cash and bank balances	0.74	-	-	0.74
Other Bank Balances	16.58	-	-	16.58
Other financial current assets	0.64	-	-	0.64
Total	166.06	0.06	-	166.00
Financial liabilities at amortized cost				
Long term borrowings	258.12	-	-	258.12
Short term borrowings	135.27	-	-	135.27
Trade Payables	157.61	-	-	157.61
Other financial current liabilities	49.51	-	-	49.51
Total	600.51	-	-	600.51

38 Segment information

I Segment Accounting Policies:

- a. **Products and services from which reportable segment derive their revenues.**

Based on the nature and class of product and services, their customers and assessment of differential risk and returns and financial reporting results reviewed by chief operating decision maker, the company has identified the business segments which comprised:

The "Chemicals" segment produces and sells Ethyl Acetate, Iso Butyl benzene, Acetyl Chloride and Mono Chloro Acetic Acid.

The "Drugs" segment produces and sells various API's viz. Ibuprofen, Metformin, Fenofibrate, Lemotrigine, Clopidogrel Bisulphate, Pantaprazole, Ursodeoxycholic Acid (UDCA), etc.

The operating businesses are organized and managed separately according to the nature of the products produced, with each segment representing a strategic business unit that offers different products and serves different markets.

- b. **Geographical segments**

The geographical segments considered for disclosure are based on markets, as under:

- India
- Rest of the world

- c. **Segment accounting policies:**

In addition to the significant accounting policies applicable to the business, the accounting policies in relation to segment accounting are as under:

- i. **Segment assets and liabilities:**

Segment assets include all operating assets used by a segment and consists principally of cash, debtors, inventories and fixed assets, net of allowances and provisions, which are reported as direct off set in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

- ii. **Segment revenue and expenses:**

Joint revenue and expenses of segment are allocated amongst them on reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

- iii. **Inter segment sales:**

Inter segment sales are eliminated in consolidation.

- iv. **Segment results:**

Segment results represents the profit before tax earned by each segment without allocation of other income and unallocable expenses as well as finance costs.

NOTES FORMING PART OF FINANCIAL STATEMENTS
II Detail of primary business segments

₹ Crore

	Chemicals		Drugs		Unallocated		Eliminations		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Revenue										
External sales *	551.90	353.19	1,117.26	620.98	16.17	9.12			1,685.33	983.29
Inter segment transfer	208.86	135.28	-	-	-	-	(208.86)	(135.28)	-	-
Other income	4.58	0.81	3.52	3.46	2.27	2.07			10.37	6.34
Total revenue	765.34	489.28	1,120.78	624.44	18.44	11.19	(208.86)	(135.28)	1,695.70	989.63
Segment results	26.51	4.23	357.92	88.96					384.43	93.19
Unallocated income (net of unallocated expenses)					3.14	2.46			3.14	2.46
Profit before tax and interest									387.57	95.65
Interest									51.42	64.35
Profit and loss before tax									336.15	31.30
Other information										
Segment assets	304.64	311.93	550.65	468.05	-	-			855.29	779.98
Unallocated assets	-	-	-	-	86.59	72.13			86.59	72.13
Total assets	304.64	311.93	550.65	468.05	86.59	72.13			941.88	852.11
Segment liabilities	74.83	81.99	75.53	74.18	-	-			150.36	156.17
Long term borrowings (including current maturities and interest accrued but not due)	-	-	-	-	218.16	289.19			218.16	289.19
Short term borrowings					67.72	135.27			67.72	135.27
Other unallocated Liabilities	-	-	-	-	31.30	55.74			31.30	55.74
Total liabilities	74.83	81.99	75.53	74.18	317.18	480.20			467.54	636.37
Capital expenditure	4.99	2.92	50.37	40.02	3.92	5.42			59.28	48.36
Depreciation and amortisation	12.52	12.71	17.78	15.59	2.15	1.91			32.45	30.21

Geographical information

₹ Crore

Particulars	Year ended	Domestic sale		Export sale	Total
		India	Rest of the world		
Net revenue from sale of products	31 March 2019	1,038.37		646.96	1,685.33
	31 March 2018	632.97		350.32	983.29

Information about major customers

Refer note no. 40 (iii) (Credit Risk)

There is no customer contributing more than 10% of the total revenue of the company.

* External sales for the previous year are shown as net of Excise Duty on sale of goods amounting to ₹17.66 Crore.

The company does not have manufacturing facilities outside India therefore all non current assets are located in India.

39 Related party disclosures

In accordance with the requirements of Ind AS 24, on Related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

Related party and their relationship:-
A. Key Management Personnel:

S. No.	Nature of relationship	Name of related party	
1	Whole time directors	Mr. Varinder Gupta Mr. Vijay Garg Mr. Vikas Gupta	Managing Director Joint Managing Director Executive Director
2	Non executive directors	Mr. Rajender Mohan Malla Mr. Harpal Singh Mr. M.A.Zahir Mr. Chandra Mohan Dr. Sandhya Mehta	Chairman and Independent Director (w.e.f. 06/02/2019) Independent Director (w.e.f. 06/02/2019) Chairman and Independent Director (upto 08/11/2018) Independent Director Independent Director
3	Chief Financial Officer	Mr. Pardeep Kumar Khanna	
4	Vice President and Company Secretary	Mr. Krishan Singla	

NOTES FORMING PART OF FINANCIAL STATEMENTS

Related parties

S. No.	Nature of relationship	Name of related party
1	Enterprises over which Key Management Personnel (KMP) and relative of such personnel is able to exercise significant influence or control:	NM Merchantiles Limited Mayadevi Polycot Limited NCG Enterprises Limited True Value Traders Limited Towels Enterprises Limited Vivachem Intermediates Pvt. Limited (w.e.f. 11/08/2018) Bhudeva Lifesciences Limited (w.e.f. 31/12/2018) Reliex Mercantiles Limited
2	Relative of Key Management Personnel:	Mrs Dimple Gupta Manager Mr Abhiraj Gupta Manager
3	Post employment benefit plan	IOL Chemicals and Pharmaceuticals Limited Employees Group Gratuity Trust

B Details of transactions entered into with related parties during the year as required by Ind AS 24 on “Related Party Disclosures” of Companies (Indian Accounting Standards) Rules 2015.

Sr. No.	Particulars	Enterprises over which KMP is able to exercise significant influence or control		Key Management Personnel (KMP)		Non executive directors		Relatives of KMP		Post Employment Benefit Plans		Total ₹ Crore	
		Year ended 31/03/2019	Year ended 31/03/2018	Year ended 31/03/2019	Year ended 31/03/2018	Year ended 31/03/2019	Year ended 31/03/2018	Year ended 31/03/2019	Year ended 31/03/2018	Year ended 31/03/2019	Year ended 31/03/2018	Year ended 31/03/2019	Year ended 31/03/2018
1	Sale of goods	1.63	-	-	-	-	-	-	-	-	-	1.63	-
2	Sale of Capital goods	2.32	-	-	-	-	-	-	-	-	-	2.32	-
3	Purchase of goods												
	- From Towels Enterprises Ltd.	116.03	40.21	-	-	-	-	-	-	-	-	116.03	40.21
	- From others	11.47	4.54	-	-	-	-	-	-	-	-	11.47	4.54
4	Purchase of services	3.27	-	-	-	-	-	-	-	-	-	3.27	-
	- From Towels Enterprises Ltd.												
5	* Managerial remuneration (including incentives)	-	-	8.12	5.73	-	-	0.43	0.33	-	-	8.55	6.06
6	Sitting fees to non-executive directors of the company	-	-	-	-	0.06	0.05	-	-	-	-	0.06	0.05
7	Rent received	-	-	0.02	0.02	-	-	-	-	-	-	0.02	0.02
8	Rent paid	0.02	-	0.38	-	-	-	0.37	-	-	-	0.77	-
9	Security deposit	-	-	0.45	-	-	-	0.45	-	-	-	0.90	-
10	Contribution to IOL Chemicals and Pharmaceuticals Limited Employees Group Gratuity Trust	-	-	-	-	-	-	-	-	1.31	1.11	1.31	1.11
11	Loan taken	0.35	-	-	-	-	-	-	-	-	-	0.35	-
12	Repayment of Loans												
a	Issue of Preferential share warrants against loan taken - Towels Enterprises Ltd.	12.81	-	-	-	-	-	-	-	-	-	12.81	-
b	Part payment for conversion of share warrants into equity share capital - Towels Enterprises Ltd.	4.49	-	-	-	-	-	-	-	-	-	4.49	-
c	Repayment of other loans	-	-	0.03	-	-	-	-	-	-	-	0.03	-
13	Advances against supplies	20.00	-	-	-	-	-	-	-	-	-	20.00	-

NOTES FORMING PART OF FINANCIAL STATEMENTS
C Details of balances outstanding as at year end

Sr. No.	Particulars	Enterprises over which KMP is able to exercise significant influence or control		Key Management Personnel (KMP)		Non executive directors		Relatives of KMP		Post Employment Benefit Plans		Total ₹ Crore	
		As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018
Amount receivable on the last day of financial year													
1	Security deposit receivable	-	-	0.45	-	-	-	0.45	-	-	-	0.90	-
2	Trade receivable against sale of goods	1.63	-	-	-	-	-	-	-	-	-	1.63	-
3	Trade receivable against sale of capital goods	1.75	-	-	-	-	-	-	-	-	-	1.75	-
4	Advances against purchases of goods												
	- To Vivachem Intermediates Pvt. Ltd.	20.00	-	-	-	-	-	-	-	-	-	20.00	-
	- To others	3.77	17.95	-	-	-	-	-	-	-	-	3.77	17.95
Amount payable on the last day of financial year													
1	Payable against purchases of goods	2.70	-	-	-	-	-	-	-	-	-	2.70	-
2	* Managerial remuneration	-	-	0.30	0.09	-	-	0.02	0.01	-	-	0.32	0.10
3	Sitting fees to non-executive directors of the company	-	-	-	-	0.01	-	-	-	-	-	0.01	-
4	Closing balance of loans	-	16.95	-	0.03	-	-	-	-	-	-	-	16.98

(i) The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end is unsecured and settlement occurs in cash.

* (ii) Long-term employee benefits for Key Managerial Personnel:

The managerial personnel are covered by Company's gratuity policy and are eligible for compensated absences along with other employees of the Company. The proportionate amount of gratuity and compensated absences cost pertaining to managerial remuneration have not been included in aforementioned disclosures as these are not determined on individual basis.

40. Financial risk management

The financial assets of the Company include investments, loans, trade and other receivables, and cash and bank balances that derive directly from its operations.

The financial liabilities of the Company, other than derivatives, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the Company.

The Company is mainly exposed to the following risks that arise from financial instruments:

- (i) Market risk
- (ii) Liquidity risk
- (iii) Credit risk

The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the Company is exposed to and

policies and framework adopted by the company to manage these risks:

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk: foreign currency risk and interest rate risk.

(a) Foreign currency risk

The Company imports certain property, plant and equipment and material from outside India and export finished goods. The exchange rate between the Indian rupee and foreign currencies has fluctuated in recent years and may fluctuate substantially in the future. Consequently the Company is exposed to foreign currency risk and the results of the Company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

NOTES FORMING PART OF FINANCIAL STATEMENTS

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by hedging appropriately. The company manages its foreign currency risk through the process of adjusting inward remittances in foreign currency for its payment of outward remittances (i.e. considering it as natural hedge). The company may use foreign exchange forward contracts to mitigate the risk whenever it is required.

The Company's exposure to foreign currency risk was based on the following amounts as at the reporting dates:

Financial assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	Foreign currency	₹ in Crore	In foreign currency	₹ in Crore
Trade receivable				
-In USD	1,04,35,453	71.89	79,85,977	51.94
-In EURO	5,16,758	3.98	14,20,800	11.45
Trade payables				
-In USD	29,18,130	20.29	52,76,680	34.32
In EURO	-	-	-	-
Net exposure				
-In USD	75,17,323	51.60	27,09,297	17.62
-In EURO	5,16,758	3.98	14,20,800	11.45

Foreign currency sensitivity analysis

Any changes in the exchange rate of USD and EURO against INR is not expected to have significant impact on the Company's profit due to the less exposure of these currencies. Accordingly, a 2% appreciation/depreciation of the INR as indicated below, against the USD and EURO would have increased/reduced profit before tax by the amounts shown below. This analysis is based on the foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variable remains constant:

Particulars	As at 31 March 2019		As at 31 March 2018	
	Strengthening	Weakening	Strengthening	Weakening
2% Strengthening / weakening of USD against INR	1.03	(1.03)	0.35	(0.35)
2% Strengthening / weakening of EURO against INR	0.08	(0.08)	0.23	(0.23)

There is no foreign currency forward contract held by the Company as on reporting date.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest

rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements if any. All the Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing floating rate financial instrument is at its fair value:

Particulars	₹ Crore	
	Financial Year 2018-19	Financial Year 2017-18
Variable rate instruments		
Long term borrowings	189.88	258.12
Current maturities of long term debt	26.40	28.49
Short term borrowings	67.72	135.27

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	₹ Crore	
	Financial Year 2018-19	Financial Year 2017-18
Increase/ (decrease) in 100 basis point	2.74	4.11

(ii) Liquidity risk

The financial liabilities of the Company include loans and borrowings, trade and other payables. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The Company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The Company plans to maintain sufficient cash to meet the obligations as and when falls due.

The below is the detail of contractual maturities of the financial liabilities of the Company at the end of each reporting period:

Particulars	₹ Crore	
	Financial Year 2018-19	Financial Year 2017-18
Borrowings including current maturities	216.28	286.61
Less than 1 year	26.40	28.49
1-2 year	33.64	38.07
2-5 year	156.24	203.07
5-10 year	-	16.98
Later	-	-
Total	216.28	286.61

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	₹ Crore	
	Financial Year 2018-19	Financial Year 2017-18
Short term borrowings	67.72	135.27
Less than 1 year	67.72	135.27
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Total	67.72	135.27
Trade payables	120.27	157.61
Less than 1 year	120.27	157.61
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Total	120.27	157.61
Other financial liabilities	34.94	21.01
Less than 1 year	34.94	21.01
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Total	34.94	21.01

(iii) Credit risk

Credit risk refers to the risk of default on its contractual terms or obligations by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

The Company assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The company has not considered an allowance for doubtful debts in case of Trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The following is the detail of revenues generated from top five customers of the Company and allowance for lifetime expected credit loss:

Particulars	₹ Crore	
	Financial Year 2018-19	Financial Year 2017-18
(a) Revenue from top five customers		
-% of total sales of top 1 customer	5.17%	5.79%
-% of total sales of top 5 customers	17.15%	19.27%

Particulars	₹ Crore	
	Financial Year 2018-19	Financial Year 2017-18
(b) Allowances for expected credit loss and doubtful receivables		
-Balance at the beginning of the period	0.27	0.22
-Impairment loss recognized	0.07	0.13
-Expected credit loss	(0.05)	0.14
-Amount written off	(0.09)	(0.22)
-Balance at the end of the period	0.20	0.27

Write off policy

The financials assets are written off in case there is no reasonable expectation of recovering from the financial asset.

41. Capital management

The capital 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 maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's gearing ratio was as follows:

Particulars	₹ Crore	
	Financial Year 2018-19	Financial Year 2017-18
Borrowings including current maturities and interest accrued but not due	285.88	424.45
Less: Cash and cash equivalent and other bank balances	29.60	17.32
Net debt (A)	256.28	407.13
Total equity (B)	474.34	215.74
Gearing ratio (A/B)	0.54	1.89

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

There were no changes in the objectives, policies or processes for managing capital during the year ended 31 March 2019 and 31 March 2018.

42. In accordance with the Ind AS-36 on Impairment of Assets, the Company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of accounts.

NOTES FORMING PART OF FINANCIAL STATEMENTS

43. Reconciliation of cash flow from financing Activities

In pursuant to amendment in the companies (Indian Accounting Standards) Rules, 2017 via MCA notification G.S.R 258(E) dated 17th March, 2017 Para 44A to Para 44E has been inserted after Para 44 in Indian accounting Standard-7 "Statement of Cash Flows" for the period beginning on 1st April, 2017

₹ Crore		
Particulars	Current borrowing	Non-current borrowing including current maturities
Opening balance of financial liabilities as on 1st April-2018 coming under the financing activities of Cash Flow Statement	135.27	286.61
Changes during the year		
a) Changes from financing cash flow	(67.55)	(53.61)
b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-
c) The effect of changes in foreign exchanges rates- (Gain)/Loss	-	-
d) Changes in fair value	-	-
e) Other Changes		
Processing fee amortized	-	0.23
Loans taken	-	0.35
Unsecured loans converted into Equity Share warrants	-	(17.30)
Closing balance of financial liabilities as on 31st March-2019 coming under the financing activities of Cash Flow Statement	67.72	216.28

₹ Crore		
Particulars	Current borrowing	Non-current borrowing including current maturities
Opening balance of financial liabilities as on 1st April-2017 coming under the financing activities of Cash Flow Statement	140.77	305.74
Changes during the year		
a) Changes from financing cash flow	(5.50)	(19,31)
b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-
c) The effect of changes in foreign exchanges rates- (Gain)/Loss	-	-
d) Changes in fair value	-	-
e) Other changes		
Processing fee amortized	-	0.18
Closing balance of financial liabilities as on 31st March-2018 coming under the financing activities of Cash Flow Statement	135.27	286.61

44 Amortisation of intangible assets

- Softwares have been amortised on estimated useful life of six years.
- Technical know how have been amortised on estimated useful life of five years.

45 Auditor's Remunerations

₹ Crore		
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Audit fee	0.05	0.04
Tax audit fee	0.02	0.01
Limited review	0.02	0.01
In other capacity:		
Company law and other matters	0.02	-
Taxation matters	0.08	-
Reimbursement of expenses	-	0.01
	0.19	0.07

46 The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

₹ Crore		
Particulars	As at 31 March 2019	As at 31 March 2018
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year	5.85	0.03
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting period	0.02	-
iii. The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, along with the amount of payment made to the suppliers beyond the appointed day during each accounting year	-	-
iv. The amount of interest paid along with the amount of payment made to the suppliers beyond the appointed day	-	-
v. The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-
vi. The amount of interest accrued and remaining unpaid at the end of the accounting year	0.02	-
vii. The amount of further interest due and payable even in succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of dis-allowance as a deductible expenditure under Section 23	-	-



NOTES FORMING PART OF FINANCIAL STATEMENTS

- 47** In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the period from 1 April 2017 to 30 June 2017 were reported gross of Excise Duty and net of VAT/ CST. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/CST, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of revenue as per the requirements of Ind AS 18. This has resulted in lower reported revenue in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, certain expenses where credit of GST is available are also being reported net of taxes.
- 48** Effective 1 April 2018, the company has adopted Ind AS 115 revenue from contracts with customers and its application did not have any material impact on the financial results of the Company.

49 Corporate Social Responsibility (CSR)

As required under Section 135 of the Companies Act 2013, during the year, the Company has constituted a Corporate Social Responsibility (CSR) Committee. However no expenditure was required to be incurred during the Financial year 2018-19 as average net profits of the Company during the immediately preceding three financial years are negative.

50 Figures in bracket indicate deductions.

51 Previous year figures have been regrouped/recasted/rearranged wherever necessary to confirm to its classification of the current year.

As per our report of even date attached

For Ashwani & Associates

Chartered Accountants
Firm Registration Number: 000497N
by the hand of

Sd/-
Aditya Kumar
Partner
M.No. 506955

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Krishan Singla
Vice President
and Company Secretary

Place : Barnala
Date : 29 May 2019

For and on behalf of the board of directors

Sd/-
Vijay Garg
Joint Managing Director
DIN-06510248

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

THE FOLLOWING INFORMATION IS PART OF THE DIRECTORS' REPORT AND BE PROVIDED TO THE MEMBERS ON REQUEST

1. 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 Director to the median remuneration of the employees of the Company for the Financial Year 2018-19 (FY 19) and the percentage increase in remuneration of each Director, Chief Financial Officer & Company Secretary during the FY 19 are as under:

Name of Director/ Key Managerial Personnel, Designation, Remuneration(₹ in crore),% increase in remuneration,Ratio of remuneration to median remuneration of employee

Mr Varinder Gupta, Managing Director, 3.60, 50.00%, 139.60; Mr Vijay Garg, Joint Managing Director, 2.28, 31.03%, 88.41; Mr Vikas Gupta, Executive Director,0.84, 40.00%, 32.57; Mr Pardeep Kumar Khanna, Chief Financial Officer, 0.66, 37.50%, 25.59; Mr Krishan Singla, Vice President and Company Secretary, 0.48, 23.08%,18.61.

- (ii) The maiden remuneration of employees was increased by 7.50% from ₹ 2.40 lakh in FY 18 to ₹ 2.58 lakh FY 19.
- (iii) The number of permanent employees on the rolls of the Company was 1,618 as on 31 March 2019.
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year, its comparison with the percentile increase in the managerial remuneration, justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:-
- Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year was 7.50% and average increase in salary of managerial personnel (Managing Director and Whole-time directors) was 41.77%.
- (v) It is hereby affirmed that the remuneration paid is as per the Nomination & Remuneration Policy of the Company.

2. Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2)&(3)of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) **Statement containing the particulars of top ten employees in term of remuneration drawn:**

Full Name, Designation, Remuneration received per annum (₹ in crore), Qualifications, Experience (Years), Date of Commencement of employment, Age (Years), Last Employment, %age of equity shares held.

Mr Varinder Gupta, Managing Director, 3.60, Higher Secondary, 33, 29/09/1986, 56, First Employment, 2.10%; Mr Vijay Garg, Joint Managing Director, 2.28, M.B.A. (Marketing), PGD. (International Marketing), 27, 01/08/2012, 49, Arch Pharmalabs Limited, 0.00%; Mr Jagdish Goel, President - API Business, 0.90, M.Sc, 28, 06/12/2011, 49, Glenmark Generics Ltd. 0.01%; Mr Vijay Kumar Singla, President - Chemicals, 0.90, B.E. Chemical Engineering & Electric Engineering, 19, 01/03/2000, 44, First Employment, 0.01%; Mr Vikas Gupta, Executive Director, 0.84, BSc. (Hons.) in Business Management from Kings College London, 6, 20/07/2013, 27, First Employment, 0.00%; Mr Damandeep Singh, President - Project, 0.78, PHD, 21, 23/10/1997, 45, First Employment, 0.04%; Mr Kamlesh Jayantilal Ranbhan, President - R&D, 0.66, PHD, 25, 10/04/2017, 54, Arch Pharmalabs Limited, 0.00%; Mr Pardeep Kumar Khanna, Chief Financial Officer,0.66, M.COM., 24, 23/12/1995, 49, First Employment, 0.01%; Mr Kushal Kumar Rana, President - Quality Assurance, 0.63, M.SC., 30, 11/04/2005, 49, Morepen Laboratories, 0.00%; Mr Gopal Singla, President - Engineering, 0.60, B.E. (Instrumentation), 21, 01/04/2007,43, Indian Acrylics Ltd, 0.02%.

- (ii) None of the above employee is a relative of any director, except Mr Varinder Gupta and Mr Vikas Gupta, who are related each other as father and son.
- (iii) There was no employee who had received remuneration in excess of that drawn by the managing director or whole director and holds 2 % of the equity shares of the Company.
- (iv) Nature of employment of none of the above employee is contractual except Mr Varinder Gupta, Mr Vijay Garg and Mr Vikas Gupta.



IOL CHEMICALS AND PHARMACEUTICALS LIMITED

Regd. Office : Trident Complex, Raikot Road, Barnala - 148 101 (Punjab)

CIN: L24116PB1986PLC007030

PROXY FORM

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

Name of the Company: IOL Chemicals and Pharmaceuticals Limited

Registered Office: Trident Complex, Raikot Road, Barnala- 148101 (Punjab)

Name of member (s):	
Registered Address:	
E-mail id:	
Folio No/Client ID:	DP ID:

I/We, being the member(s) of IOL Chemicals and Pharmaceuticals Limited, holding _____ shares, hereby appoint.

1.	Name:	
	Address:	
	E-mail Id:	Signature: _____, or failing him

2.	Name:	
	Address:	
	E-mail Id:	Signature: _____, or failing him

3.	Name:	
	Address:	
	E-mail Id:	Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 32nd Annual General Meeting of the Company to be held on Thursday 29th day of August 2019 at 11:00 A.M. at the Registered Office of the Company situated at Trident Complex, Raikot Road, Barnala-148101 (Punjab) any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No:

1. _____ 2. _____ 3. _____
 4. _____ 5. _____ 6. _____
 7. _____

Affix
Re 1/-
Revenue
Stamp

Signed this _____ day of _____, 2019

Signature of Shareholder: _____ Signature of Proxy holder(s): _____

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.



IOL CHEMICALS AND PHARMACEUTICALS LIMITED

Regd. Office : Trident Complex, Raikot Road, Barnala - 148 101 (Punjab)

CIN: L24116PB1986PLC007030

ATTENDANCE SLIP

Only Shareholders or the proxies will be allowed to attend the meeting

DP ID:		L.F. No.:	
Client ID:		No. of shares held:	

I hereby record my presence at the 32nd Annual General Meeting of the Company to be held on Thursday 29th day of August 2019 at 11:00 A.M. at the Registered Office of the Company situated at Trident Complex, Raikot Road, Barnala- 148101 (Punjab).

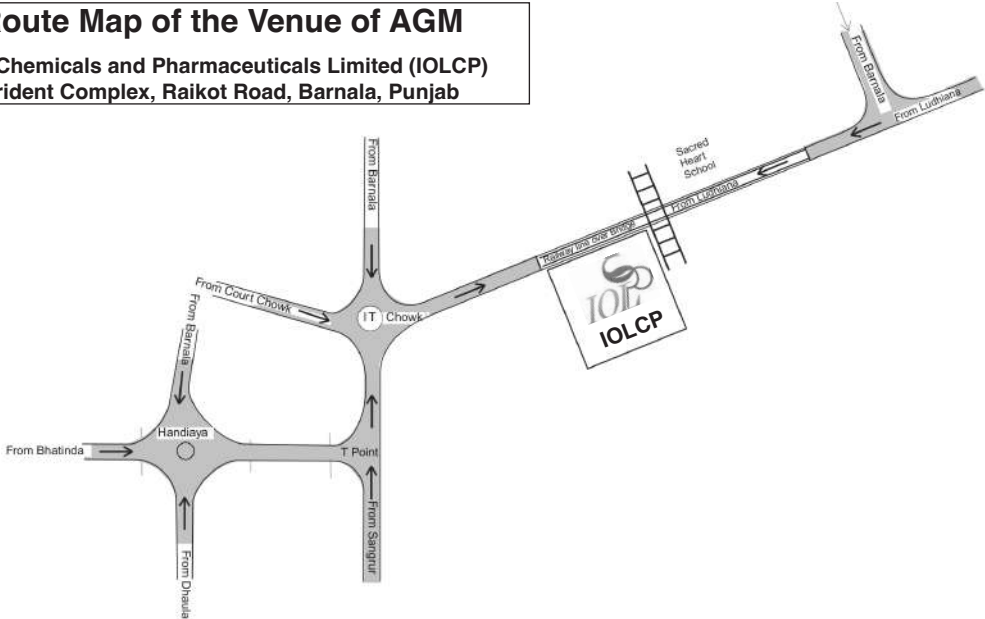
Name of the Shareholder/Proxy holder : _____

(in capital letters)

Signature

NOTE: Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.

Route Map of the Venue of AGM
IOL Chemicals and Pharmaceuticals Limited (IOLCP)
Trident Complex, Raikot Road, Barnala, Punjab







IOL Chemicals and Pharmaceuticals Limited

CIN: L24116PB1988PLC007030

85, Industrial Area 'A', Ludhiana-141003 (Punjab)

www.iolcp.com