Bodal Chemicals Ltd.
COLOURS. INTEGRATION. INNOVATION.

By online submission

Sec/20-21/40
Date: 27/07/2020

To,
The General Manager,
Department of Corporate Services
BSE Ltd.
1st Floor, New Trading Ring,
Rotunda Building, P. J Tower,
Dalal Street, Fort
Mumbai-400 001
BSE Code: 524370

To,
The General Manager,
National Stock Exchange of India Ltd.
Exchange Plaza,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (E), Mumbai-400 051.
NSE Code: BODALCHEM

Dear Sir /Ma'am,

Subject: Annual Report for the FY 2019-20

In terms of Regulation 30 and Regulation 34 of SEBI (Listing Obligation and Disclosures Requirement) Regulations, 2015, we submit herewith the soft copy of 34th Annual Report for the Financial year ended 31st March 2020.

In accordance with the Circular No. 17/2020 issued by the Ministry of Corporate Affairs ('MCA') dated 13th April 2020 and circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India ('SEBI') the Notice convening the 34th AGM and the Annual Report for the Financial year 2019-2020 have been sent only through electronic mode to all members whose E-mail Id are registered with the Company/RTA/Depository Participant(s).

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For, BODAL CHEMICALS LTD.

Ashutosh B Bhatt
Company Secretary & Compliance Officer
Encl: As Above.

HEAD OFFICE:
Plot No. 123-124, Phase-1,
G.I.D.C, Vatva, Ahmedabad- 382 445.,
Gujarat, India.

www.bodal.com
CIN No. : L24110GJ1986PLC009003

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Bodal Chemicals Ltd.®

COLOURS. INTEGRATION. INNOVATION.

ANNUAL REPORT 19-20

WE KEEP *MOVING*

ON A **STRONG** footing

The essential elements below authenticate our progress in the right direction...

- **Diversified product portfolio**
  Our growing diverse range of products across Dye Intermediates and Dyestuffs make us one of a kind to meet our customers' requirement.
- **Geographical presence**
  Exports in 45+ countries and overseas marketing subsidiaries is an affirmation of the fact that we are a global powerhouse.
- **Capacity expansion**
  We are progressing well to meet the demand through a clear focus on capacity expansion, largely sourced through internal accruals.
- **Innovation**
  All the testing undertaken across our well-equipped laboratories through strong R&D leads to product development, hence testifying our innovative capability.
- **Sustainability**
  Our continuous efforts in improving resource efficiencies while minimising environmental footprint, assists our growth in a sustainable manner.
- **Stakeholder engagement**
  Our strong stakeholder relationships are exhibited in our engagement with them through different channels.

allowing us to be on a strong footing despite...

- **Competitive market**
  The industry is dominated by China which is facing slowdown owing to environmental concerns. The Company already has capacities in place to meet the resultant transfer demand opportunities coming to India from the western countries.
- **Volatile raw material prices**
  The Company lays its dependence on a myriad of raw materials, which are vulnerable to price volatility. Integration within business functions has insulated the Company from the rising costs.
- **Forex fluctuation**
  Bodal Chemicals' global presence exposes it to foreign currency risk. The Company has a clear policy to hedge its imports/exports contract from forex fluctuations.
- **Stringent credit lending**
  The rising NPAs have enabled the financial service providers to adopt a very cautious approach towards lending. This has disrupted growth strategies for companies looking at expansion through debt. However, Bodal Chemicals has a strong credit rating and is focused on growing through internal accruals.
- **Strict regulatory norms**
  The changing regulatory landscape has created challenges for many small-sized companies. Bodal Chemicals, however, is eco-conscious and adheres fully to the regulatory requirements. Thus, it is fairly well placed through inhouse environmental facilities.

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Investor information

- Market Capitalisation as on 31st March 2020 : ₹ 5,174.57 Million
- CIN : L24110GJ1986PLC009003
- BSE Code : 524370
- NSE Symbol : BODALCHEM
- Dividend Declared (Interim) : ₹ 0.80 per Equity Share
- AGM Date : 20th August 2020
- AGM Mode : Video conferencing/ other audio-visual means

Please find our online version at
https://bodal.com/annualreport.php
Or simply scan to download

Disclaimer: This document contains statements about expected future events and financials of Bodal Chemicals Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Right Location

Our manufacturing plants are strategically located in Gujarat, giving us the advantage of close proximity to abundant feedstock and well-connected transport infrastructure. Moreover, our distribution facilities throughout Europe, Asia and the Asia-Pacific region, make our supply network across the globe extensive.

Right Organisation

Open and rewarding work culture encourages people to work in a comfortable manner.

Right Leaders

Leaders with rich experience, strong cultural background and right mindset, ensure complete transparency in work, enhancing stakeholder confidence.

Together these factors shape up well as we move forward with a strong footing to overcome short-term hindrances.

Among 25

Best Companies to Work For, 2019, by CEO Insights

AT A GLANCE

Bodal Chemicals ('The Company' or 'Bodal' or 'We') is one of the largest manufacturers and exporters of multiple chemical products including Dyestuffs, Dye Intermediates, Basic Chemicals, and its variants. The Company's wide range of products make it a well-integrated player enjoying a lowered cost of production. Besides, the Company is also an end-to-end solution provider for its customers.

Led by a vision to grow globally, the Company has been growing at an accelerated pace, through diversification of business, capacity expansion and concentration on high margin products. The Company has been moving ahead with a focused strategic mindset, ably supported by high-tech infrastructure, modern laboratories and well-qualified chemists, among others.

The Company works diligently and is characterised by its ability to embrace sustainability across all spheres. The Company has undertaken an environmentally conscious approach through effective disposal of waste, appropriate liquid discharge, energy optimisation and adherence to the philosophy of water stewardship. It also plays a prominent role in employee and community development.

1989
Year of inception

58.30%
Promoter's share

45+ Countries
Product sold

Operational KPIs 2019-20

10
Manufacturing Facilities

3
R&D Facilities

7
Depots

6
Operating Subsidiaries

150+
Overseas Customers

0.30%
R&D to Sales Ratio

Market share*

INDIA	GLOBAL
20% Dye Intermediates	**6%** Dye Intermediates
13% Dyestuffs	**3%** Dyestuffs

* Estimates for our range of products

Financial KPIs 2019-20

₹ 12,124 Million
Revenues from Operation

₹ 1,022 Million
Profit after Tax (PAT)

10.64%
Return on Equity

13.43%
Return on Capital Employed

5.06
P/E Ratio

0.25
Debt to Equity Ratio

INTEGRATED PRODUCT VALUE CHAIN

INPUT MATERIAL

Inhouse

- Ice
- Steam
- Power

External

- Water
- Sulphur
- Aniline
- Naphthalene
- PNCB
- Caustic Soda
- Chlorine

Finds its way in

Products	Description
Basic Chemical	Bodal produces 12 variants of Basic Chemicals, which are used as inputs in the production of Dye Intermediates and Dyestuffs.
Dye Intermediates	Dye intermediates finds its application in the processing of finished Dyes and Pigments. The Company primarily started its operations with one variety of Vinyl Sulphone Ester and now manufactures over 25 variants.
Dyestuffs	Dyestuffs are organic compounds used for imparting colour into various products. A strong footing in Dye Intermediates enabled the Company to forward integrate into Dyestuffs. Today, the Company manufactures 150 variants of Dyestuffs.
End-user Industries	**Textiles**

Major chemicals Produced	KPIs	Clients
○ Sulphuric Acid ○ Chlorosulphonic Acid ○ Sulphur Trioxide ○ Oleum 23% & 65% ○ Sodium Bisulphate ○ Acetanilide ○ Thionyl Chloride ○ Beta Nephthol	○ Contribution to the consolidated revenue: **10.58%** ○ Production capacity: **2,26,000 MT** ○ Capacity utilisation: **87.9%**	○ Lanxess India Pvt. Ltd. ○ Grasim Industries Ltd. (Chemical Division) ○ Deepak Nitrite Ltd. ○ Meghmani Organics Ltd. ○ SRF Ltd. ○ Gujarat Fluorochemicals Ltd. ○ Vertelus Specialty Materials (India) Pvt. Ltd. ○ Evonic Specialty Silica India Pvt. Ltd. ○ Aksharchem India Ltd. ○ Jay Chemicals Ltd.
○ Vinyl Sulphone ○ H Acid ○ DASA ○ FC Acid ○ Gamma Acid ○ Viny Sulphone Derivatives	○ Contribution to the consolidated revenue: **38.09%** ○ Production capacity: **33,000 MT** ○ Capacity utilisation: **81.5%**	○ Ohyoung Inc. ○ Mcfills Enterprises Pvt. Ltd. ○ Hubei Color Root Technology Co. Ltd. ○ Jay Chemical Industries Ltd. ○ Chemistar Intermediates Pvt. Ltd. ○ Anil Organics ○ Chempro Exports (India) ○ Alps Chemicals Pvt. Ltd. ○ Ornet Intermediates Pvt Ltd.
○ Reactive Dyes ○ Acid Dyes ○ Direct Dyes	○ Contribution to the consolidated revenue: **43.91%** ○ Production capacity: **35,000 MT** ○ Capacity utilisation: **54%**	○ Dystar ○ Huntsman ○ Archroma ○ Colorantes Industriales S.a ○ BASF ○ Stahl ○ United Fabricare Supply. Inc ○ Exel Chemicals India Pvt. Ltd. ○ Raj Chemicals Ltd.

MESSAGE TO THE SHAREHOLDERS

Dear Shareholders,

I am pleased to report that, collectively, the Management and its people have risen above disruptive headwinds faced in the fiscal 2019-20. And, against the challenging backdrop, one element that remained unchanged throughout the period was our progress in strategy implementation. This approach, along with our social initiatives and environmental stewardship, is what makes us sustainable for the future.

Economic scenario

Things were looking good for the global economy in the first three quarters of 2019-20 with phase one trade talk, stability in crude oil prices, Brexit coming to a closure and a low-interest rate environment. In consonance with the global economy, India was on a relative growth trajectory, with the strengthening of the agrarian space, corporate and income tax rate cuts, narrowing trade deficit and increasing foreign investments. The positive outcome of this was expected to translate into increased consumer demand and private investments, which had been slacking for a while. However, the unprecedented occurrence of Covid-19 outbreak led every economy, industry and company to re-think their strategic road map and lay out a path ahead. And, I am confident, even in the face of this crisis there are certain silver linings in the form of growing interest amongst multinational companies to shift their manufacturing facilities to India, adoption of digital payments, favourable crude oil prices for India and more. Though this is one-in-a-lifetime event, we are also confident of overcoming this crisis like done with many other crises in the past.

Industry landscape

The Indian Chemical Industry has witnessed tremendous growth owing to the lucrative advantage it possesses over other countries. It benefits from the easy availability of key raw material, lower cost of labour, large end-user industries' base. Whereas, the adoption of technology by big companies has enabled them to strengthen cyber security system, improve overall operational efficiency and measure the environmental impact. The Indian chemical players recorded a CAGR of 15% as Total Returns to Shareholders (TRS), over the last decade or so *(Source: The Indian chemical industry: Unleashing the next wave of growth, McKinsey February 2020)*. The growth was primarily on the back of an increasing topline, which was supported by favourable policy environment, efforts to curb import and strict regulatory norms around the globe. However, smaller players are finding it challenging to cope with the pace of evolution and hence are forced to either liquidate

Our Strategic decisions

- Adding capacities into core business.
- Expanding reach into different geographies.
- Integration of business.
- Gradual margins expansion.

in action

- Expansion of Dyestuffs capacity by 18,000 MTPA in the last two years to improve margins.
- Acquired~ 80% stake in Turkish entity Sener Boya to strengthen the foothold in marketing and on the trading font.
- Stabilised production of the Thionyl Chloride (TC) plant with a capacity of 36,000 tonnes. The plant will play a vital role in strengthening our forward and backward integration.
- The Company has acquired 100% stake in Trion Chemicals to turn it into a profitable business in the near term.
- Opened several warehouses in India.

enable us to build a promising future...

- Strong bottomline numbers and increasing market share.
- Increase in stakeholders' value.
- Higher cash flow generation.

or consolidate. Going ahead, the Indian Chemical Council's (ICC) goal to reach a USD 300 Billion-industry turnover by 2025, seems to be a possibility, with full support from the Governments to set up a strong infrastructure and compete against the threat from China.

Business landscape

Dyestuffs covers every aspect of our lives. This signifies the importance of Dyes and Pigment sector for the economy. Intermediates are a prominent raw material used in the production of Dyestuffs. Over the years, India has reduced its reliance on other countries for intermediates used in Dyestuffs and today, the country is gradually becoming 'Atmanirbhar'. However, the country is still dependent for k-acid, J-acid, Bromamine Acid, Sulpho Tobias Acid and Cyanuric Chloride on a large share of imports. With China facing issues owing to the environmental norms, India is well-poised to benefit from the same.

Let us see how we have performed in the last ten years:

- Total Revenues from Operations increased by 157% (10% CAGR) to ₹ 12,318 Million in 2019-20 from ₹ 4,793 Million in 2009-10.
- EBITDA increased by 200% (12% CAGR) to ₹ 1,580 Million in 2019-20 as compared to ₹ 527 Million in 2009-10.
- PAT strengthened by 658% (22% CAGR) to ₹ 1,022 Million in 2019-20 as compared to ₹ 135 Million in 2009-10.
- Debt to Equity ratio decreased from 4.56 in 2009-10 to 0.25 in 2019-20.

A responsible firm

As a proactive response to the current paradigm change, we remain ardent to our duties and responsibilities. These include creating a safe working environment, adhering to the best management practices and embedding sustainability into our facilities.

Through strong R&D, we are doing our bit in adding economic value by strengthening our in-house feed production. This reduces our dependency on other countries for raw material import and through this, we are also aligned to the Government's 'Aatmanirbhar Bharat Abhiyan' initiative. Moreover, our 45% of revenue comes from export, thereby, playing a minuscule role in contributing to the country's foreign exchange.

At the same time, our social contribution, through renowned NGOs like YUVA and other various Trusts, has helped us to focus on a wide array of areas such as health, education and basic infrastructure, among others. We take pride in positively having influenced many people's lives through our initiatives.

Responding to the pandemic

As a responsible corporate citizen, we adhered to the Government guidelines that were issued during different phases of the Covid-19 induced lockdown to contain the spread of the virus. With the slow and gradual upliftment of regulations, the reopening of plants in different sectors, is likely to lead to a gradual recovery. The Company's fundamentals are intact to support the strong growth prospects. And, I am confident we will start from where we left and keep moving to be on a strong footing.

In closing

I would like to thank the entire team at Bodal Chemicals, for their constant commitment and efforts undertaken during the year. It is this pride of working with such an illustrious team that drives us every day as we work to honour our stakeholders' faith and investment in us.

Suresh J. Patel
Chief Executive Officer, Chairman & Managing Director

Bodal Chemicals Ltd.
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SHARED OPPORTUNITIES

What we depend on

Stakeholder insight

- Interactive Annual General Meeting
- Effective insights from our consultants and vendors
- Constant customer reviews and employee feedback

48,000+
Shareholders invested

600+
Number of customers

Talent

Employees, qualified chemists, research engineers and experienced management team

1,560
Employees onboard

30+
Management experience in years

Financial resources

Healthy topline revenue, working capital and strong net worth

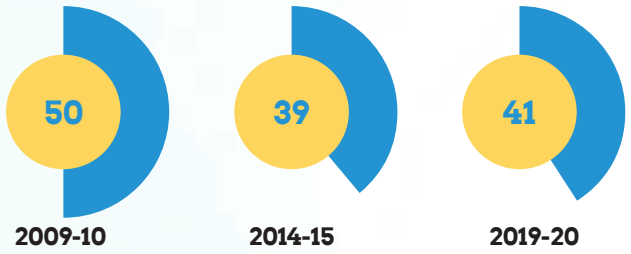
₹ 9,601.82 Million
Net worth

₹ 56.18 Million
Net cashflow

What we create

Customer demand

Revenue from exports (%)



Increasing transparency & trust

A+/STABLE
CRISIL rating and INDIA rating on long-term debt

A1+
CRISIL rating and INDIA rating on short-term bank facility

Product choices

200+
Types of products produced

Economic development

₹ 777.48 Million
Salaries paid

₹ 201.96 Million
Taxes paid

₹ 14.90 Million
CSR spend

₹ 195.73 Million
Dividends paid

Profit

8.43%
PAT margin

Through our strengths

Good customer relationships

Customer relationships and engagements have been maintained on the back of a strong brand building, over the years. An integrated business model, ease of product availability and strict quality adherence have made us a partner of choice for customers.

Strong and experienced management team

Impressive educational background of leaders coupled with extensive knowledge of the chemical industry enables the Company to meet its strategic goals.

Integrated business model

One of the few companies in India with fully integrated operations. This allows approx 48% of the Basic Chemical to be captively consumed by Dye Intermediates and approx 43% of Dye Intermediates output to be consumed by Dyestuffs, giving the Company a cost-competitive advantage.

Emphasising on stable margin Dyestuffs business

Dyestuffs touches every facet of lives by imparting colours to fabric, leather, paper, paint and pen ink, among others. Therefore, looking at its uses across a wide range of industries, the Company has directed the resources towards the high-value Dyestuffs business. The Dyestuffs capacity expansion is expected to pay off once the economy witnesses a gradual turnaround.

Organic and inorganic growth

With an aim of strengthening its foothold in every direction, the Company has resorted to skilful growth through both, organic and inorganic mediums. These have resulted in diversification of chemicals, better market position, business integration and strengthening of distribution network.

Bodal Chemicals Ltd.
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RESPONDING TO CRITICAL ISSUES

Environmental

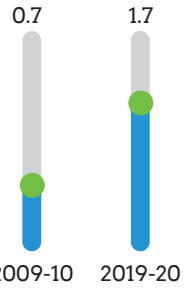
Challenges

- Huge costs involved in complying with environmental regulations. Moreover, the rising industrial water and power rates are a concern.
- Scarcity of water can lead to insufficient supply affecting our production needs.
- The Chemical Industry is energy and CO_2 intensive. It represents more than 30% of global Greenhouse Gas (GHG) emissions. If not controlled, it can have a profound effect on climate change.

Response

- The Company abides by the mantra of 'reduce, recover and reuse' of natural resources. This way, it finds a way to effectively minimise the impact on the environment.

Pollution control expenses to sales ratio (%)



- The Company has appropriate pollution control systems in place. These include implementation of Effluent Treatment Plants (ETPs), Multiple Effect Evaporator Plant (MEEP), Brine Treatment Plant and Effluent Spray Dryer Plant (ESDP).
- The Company possesses 5 MW lignite-based & 1.73 MW steam (waste recovery heat) based captive power plant at Unit 7.

Effluent treatment plant (ETP)

Multiple effect evaporator plant (MEEP)

Win-Win outcome for us and society

- Reusable clean water.
- Zero liquid discharge.
- Salt extracted through MEEP process is captively used or sold.
- Cost optimisation through proper management of the energy consumption.
- Creating a better future for all stakeholders.

Communities

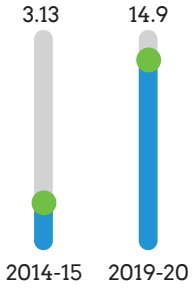
Challenges

- Ascertaining the right model for CSR activities, whether to set up a foundation or work through a non-profit organisation, is a challenge.
- Embedding CSR into business operation to create societal as well as economic value.

Response

- The Company is engaged with renowned NGOs like YUVA and other various Trusts to implement CSR activities, for utilising their know-how to aid us in maximising the social impact.

CSR Spent (₹ Million consolidated)



- The Company is committed to create social value by engaging in dynamic CSR activities. These include activities towards healthcare, education, infrastructure development, sports promotion and social issues.
- The Company provides employment to local people wherein it operates.

Win-Win outcome for us and society

- Community upliftment.
- Contribution to improving 'India's Human Development Index'.
- Strong business reputation.
- Brand recognition.

Bodal Chemicals Ltd.
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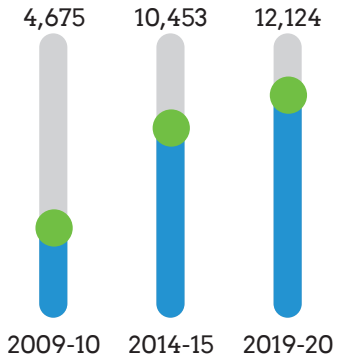
FINANCIAL HIGHLIGHTS

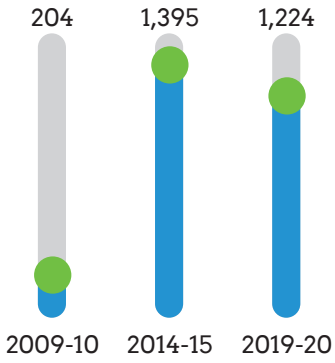
Revenue from Operations

(₹ Million)



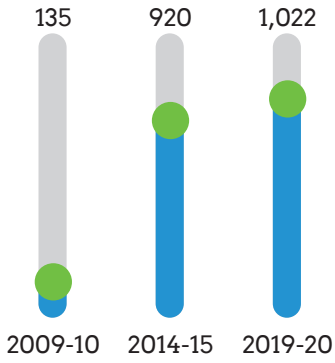
PBT

(₹ Million)



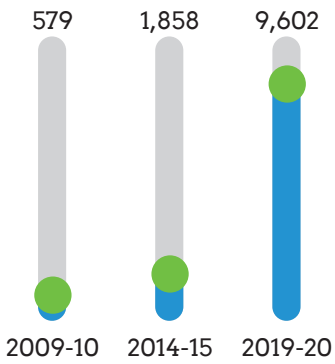
PAT

(₹ Million)

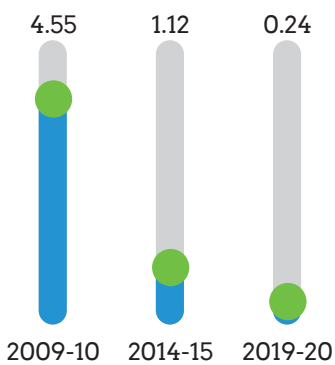


Net worth

(₹ Million)



Net Debt: Equity ratio



Corporate information

BOARD OF DIRECTORS:

Mr. Suresh J. Patel	Chairman and Managing Director
Mr. Bhavin S. Patel	Executive Director
Mr. Ankit S. Patel	Executive Director
Mr. Rajarshi Gosh	Director-HSE (w.e.f. 27-05-2020)
Mr. Kishorkumar Radadia	Director-HSE (w.e.f. 01-09-2019 upto 29-02-2020)
Mr. Sunil K. Mehta	Independent Director
Mr. Bipin R. Patel	Independent Director (up to 25-10-2018)
Mr. Nalin Kumar	Independent Director
Mrs. Neha Huddar	Independent Director
Mr. Ram Prasad Srivastava	Independent Director (w.e.f. 13-08-2019)
Dr. Parin D. Shah	Independent Director (w.e.f 29-12-2018 up to 05-07-2019)

CHIEF FINANCIAL OFFICER

Mr. Mayur B. Padhya

COMPANY SECRETARY

Mr. Ashutosh B. Bhatt

REGISTERED OFFICE

Plot No.: 123-124, Phase-I, G.I.D.C. Estate, Vatva, Ahmedabad-382 445.

CORPORATE OFFICE

"BODAL CORPORATE HOUSE", Beside Maple Green Resi., Nr. Anand Niketan School, Nr. Shilaj Circle, Off. S P Ring Road, Thaltej, Ahmedabad-380059

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP
19th Floor, Shapath-V, B/s. Crowne Plaza Hotel, Opp. Karnavati Club, S.G. Highway, Ahmedabad 380 015, Gujarat, India

COMMITTEES Of BOARD

AUDIT COMMITTEE

Mr. Sunil K. Mehta	Chairman
Mr. Nalin Kumar	Member
Mrs. Neha Huddar	member
Mr. Bhavin S. Patel	Member

STAKE HOLDER'S RELATIONSHIP COMMITTEE

Mr. Sunil K. Mehta	Chairman
Mr. Nalin Kumar	Member
Mr. Bhavin S. Patel	Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. Sunil K. Mehta	Chairman
Mrs. Neha Huddar	Member
Mr. Nalin Kumar	Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Suresh J. Patel	Chairman
Mr. Ankit S. Patel	Member
Mr. Sunil K. Mehta	Member

SHARE TRANSFER COMMITTEE

Mr. Suresh J. Patel	Chairman
Mr. Bhavin S. Patel	Member
Mr. Ankit S. Patel	Member

WARRANT COMMITTEE

Mr. Suresh J. Patel	Chairman
Mr. Bhavin S. Patel	Member
Mr. Sunil K. Mehta	Member

BANKERS

Union Bank of India

Board's Report

To
The Members of
Bodal Chemicals Ltd.,

The Directors hereby present their **"34th ANNUAL REPORT"** on the performance of the Company together with the audited financial statements for the financial year ("FY") ended 31st March, 2020

Financial Results

Financial Results of the Company for the year under review along with figures of the previous year are as follows:

(₹ in Million)

Year Ended	Standalone			Consolidated		
	Year Ended 31st March, 2020	Year Ended 31st March, 2019	Growth %	Year Ended 31st March, 2020	Year Ended 31st March, 2019	Growth %
Total Revenue	12,318	13,940	(11.64)	13,852	14,369	(3.60)
Earnings before Interest, Depreciation and Tax (EBIDTA)	1,580	2,477	(36.21)	1,481	2,495	(40.64)
Profit after Tax	1,022	1,441	(29.08)	867	1,413	(38.64)
Total comprehensive income	1,037	1,436	(27.79)	864	1,409	(38.68)
Earnings Per Share (EPS) (Basic)	8.35	11.78	(29.12)	7.16	11.56	(38.08)

Note: previous year's figures have been recast wherever necessary.

IMPACT OF THE COVID-19 ON BUSINESS OF THE COMPANY

The operations of the Company were affected due to the lockdown announced by the Government of India to control the spread of Corona virus. The Company's manufacturing operations have been partially functional since 11th May, 2020 with the permissions of the State Government, well with the functioning guidelines issued by Ministry of Home Affaire (MHA). The Company has adhered to the guidelines as specified by the Government of India and complying with all safety measures to safeguard its employees from COVID-19 disease. The Company has formulated policy for work from home for all employees except employees associated with manufacturing activity. Plant operations have been partially functional throughout the lockdown period initially with residual staff, all housed within our premises.

THE FINANCIAL YEAR UNDER REVIEW 2019-2020

PERFORMANCE DISCUSSSION

The Financial Year 2019-20 is a year where your company has sustained well and as a group performed satisfactory. Though the challenges related to the reduction in prices of finished goods and lesser demand etc. were there but your company has done well and that have been reflected in the top line and bottom line for current financial year. Your company has achieved productivity gains, volume growth and sustainable margins. During the year under review, group has achieved Total Revenue of ₹ 13,852 Million and revenue has declined 3.60% compared to previous year. During the year under review EBIDTA and Profit after Tax of the Group were stand lesser by 40.64% and 38.64% respectively compared to earlier year.

Board's Report (Contd.)

Bodal Chemicals Ltd. (BCL)

Bodal Chemicals Ltd. is the most integrated Dyestuffs Company in India and also the biggest manufacturer of Dye Intermediates in India. The Company's product range covers Dyestuffs, Dye Intermediates and Basic Chemicals broadly classified under Specialty Chemicals. It has a unique and integrated product line covering forward and backward integration to dye intermediates. It contributes about 20% of India's capacity and about 5% of the world's capacity for Dye Intermediates. Out of the total production, about 41% is exported to over 45 countries across the world.

The Company is listed on BSE Ltd. (Bombay Stock Exchange) and National Stock Exchange of India Ltd. (NSE).

The broad areas of operations of the Company are as under:

Dyes

Your Company is a leading manufacturer of Reactive, Acid and Direct Dyes. Bodal Chemicals has capacity of manufacturing more than 150 variants of Dyestuff which are principally used as raw materials in Textiles, Leather, Paper & other Dyestuff consuming industries

Dye Intermediates

Bodal is the largest manufacturer of Dye Intermediates in India and among the leading manufacturers of Dye Intermediates in the world. Bodal Chemicals has capacity of manufacturing up to 25 Dyes Intermediates products. These Dye Intermediates are directly sold as well as consumed captively for manufacturing different kinds of Dyes.

Other/Basic Chemicals

Bodal is also a manufacturer of other Chemicals like Sulphuric Acid, CSA, Oleums, Beta Napthol and Acetanilide. These Chemicals are used as key raw materials for production of Dye Intermediates, which is highly beneficial in terms of improving profitability of the Company.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:

- **Subsidiaries:**

1. SPS Processors Private Ltd.- Subsidiary Company
2. Trion Chemicals Private Ltd.- Wholly Owned Subsidiary Company
3. Bodal Chemicals Trading Pvt Ltd- Wholly Owned Subsidiary Company
4. Bodal Chemicals Trading (Shijiazhuang) Co., Ltd.- Wholly Owned Subsidiary Company
5. SENER BOYA KIMYA TEKSTIL SANAYI VE TICARETANONIM SIRKETI-Subsidiary Company
6. Bodal Bangla Ltd.- Wholly Owned Subsidiary Company

- **Step-down subsidiaries:**

1. SENPA DIS TICARET ANONIM SIRKETI

S P S PROCESSORS PVT. LTD. (SPS)

S P S Processors Pvt. Ltd. is a company engaged in manufacturing of dye intermediates.

Your Company is holding 70% equity stake in S P S Processors Pvt. Ltd, a subsidiary company of Bodal Chemicals Ltd.

SPS has a manufacturing plant located at Kosi, Uttar Pradesh, India having running operational capacity to produce 3,000 tons per annum (TPA) of H-Acid, a key Dye Intermediate. The manufacturing plant is a "zero discharge" unit and only about four and half year old.

S P S Processors Pvt. Ltd. also has all necessary permissions to manufacture Vinyl Sulphone another key Dye Intermediate, as well as Dyestuff, at the same plant.

With the available permissions, the Company is building a 6000 TPA Vinyl Sulphone plant. The project is expected to start and stabilise production during 2020-21.

This investment will help the Company to increase its manufacturing capacity of Dye Intermediates and consolidate its position in the local and global markets of Dye Intermediates and Dyestuff.

Further Financial Results of the Company for 2019-20 is available on website of the Company at www.Bodal.com

TRION CHEMICALS PVT. LTD. (TCPL)

During the current financial 2019-20, your Company has made further investment in TCPL of ₹ 58.71 Million during the month of March 2020 and after the said acquisition the stake of Bodal Chemicals Ltd in TCPL is 100% and TCPL has become a Wholly Owned Subsidiary company of Bodal Chemicals Ltd.

Board's Report (Contd.)

TCPL had commissioned a plant to manufacture **Trichloroisocyanuric Acid (TCCA)**, falling under specialty chemicals, at Neja, Near Khambhat, Gujarat. TCCA is a disinfectant - an algaecide and bactericide used mainly by swimming pools and water treatment plants. It is also used as a bleaching agent by the textiles industry.

TCPL's TCCA plant is the first plant of this specialty chemical in India. TCPL's business plan is focused on the US market. Company is targeting mainly USA market. It has already secured EPA licence in USA for environment protection.

Further Financial Results of the Company for 2019-20 is available on website of the Company at www.Bodal.com

Further, After Completion of Financial year, Board of Directors of Trion Chemicals Pvt Ltd and Board of Directors of Bodal Chemicals Ltd at their meeting Held on 26th May 2020 and 27th May, 2020 respectively, Considered and approved Amalgamation of Trion Chemicals Pvt Ltd (Transferor Company), a Wholly Owned Subsidiary of the Company with Bodal Chemicals Ltd (Transferee Company).

Bodal Chemicals Trading Pvt Ltd

Bodal Chemicals Trading Pvt Ltd, a Wholly Owned Subsidiary Company was incorporated in India on 07th December 2018. It was incorporated with object of trading in chemical products. The Company has Commenced commercial operations. It is not material subsidiary as per the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Further Financial Results of the Company for 2019-20 is available on website of the Company at www.Bodal.com

Bodal Chemicals trading Shijiazhuang Ltd (China)

Bodal Chemicals trading Shijiazhuang Ltd, a Foreign Wholly Owned Subsidiary of the Company incorporated in China in 2018-19, for trading activities in Chemicals Product.

Apart from the trading activity within china, this company will become an important arm for bodal chemicals Ltd to distribute its final product i.e. dyestuffs in domestic market of China. This will also help sourcing of some raw materials from China to India. The Company has started commercial operations. It is not material subsidiary as per the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Further Financial Results of the Company for 2019-20 is available on website of the Company at www.Bodal.com

Sener Boya Kimya Tekstil Sanayi Ve Ticaretanonim Sirketi,

Sener Boya Kimya Tekstil Sanayi Ve Ticaretanonim Sirketi a Foreign Subsidiary of the Company having acquired stake of 80%, for trading activities in Chemicals products at Turkey.

Apart from the trading activity within Turkey, this company will become an important arm for bodal chemicals Ltd to distribute its final product i.e. dyestuffs in domestic market of Turkey and reach out to other Local Areas. The Company has started commercial operations. It is not material subsidiary as per the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

Further Financial Results of the Company for 2019-20 is available on website of the Company at www.Bodal.com

Bodal Bangla Ltd

Bodal Bangla Ltd, a Foreign Wholly Owned Subsidiary of the Company incorporated 22th September, 2019 in Bangladesh, for trading activities in Chemicals Products. The Company has started Commercial Operations. Further It is not Material Subsidiary as per the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Further, Financial Results of the Company is available on website of the Company at www.bodal.com

SENPA DIS TICARET ANONIM SIRKETI- Step Down Subsidiary company of the Company

SENPA DIS TICARET ANONIM SIRKETI is Wholly Owned Subsidiary, of SENER BOYA KIMYA TEKSTIL SANAYI VE TICARETANONIM SIRKETI which is subsidiary company of Bodal Chemicals Ltd, incorporated in 2018-19 in Turkey.

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules framed there under and Regulation 33 of the SEBI Listing Regulations, the Company has prepared consolidated financial statements of the Company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form AOC-1 which forms part of this Annual Report. Further Company shall place separate audited

Board's Report (Contd.)

accounts of the subsidiaries Company on the website of the Company at www. Bodal.com

Pursuant to Section 134 of the Act read with Rule 8(1) of the Companies (Accounts) Rules, 2014 the details of developments of subsidiaries of the Company are covered in the Management's Discussion and Analysis Report which forms part of this Report.

Scheme of Amalgamation

During the year under review, your company has prepared the draft Scheme for amalgamation of Trion Chemicals Pvt. Ltd with Bodal Chemicals Ltd and for that purpose Registered Valuer was appointed to get Valuation Report in the month of March 2020 on the basis of the latest audited financial statements as on 31st March 2019, with appointed date 01st April, 2019. Relevant consultants were also appointed for the said work in March, 2020. Further, company has also planned Board meeting to considered scheme in month of March, 2020, however, due to wide spread of COVID-19 in India, Global Pandemic situation and starting of complete lock down throughout the country for a long time, during the month of March 2020, the Company was unable to complete the requisite formalities like passing the Board Resolutions, submission of the Scheme to the concerned Stock Exchanges and to file the proceedings with the Tribunal.

Later, Board of Directors of your company and also of TCPL-Wholly Owned Subsidiary of the Company at their Board meetings held on 27th May, 2020 and 26th May 2020 respectively, has considered and approved Draft Scheme of Amalgamation of Trion Chemicals Ltd-Wholly Owned Subsidiary with the Bodal Chemicals Ltd-Parent Company. Further, Company has made required disclosures in pursuant to applicable regulation of SEBI (LODR) to Stock Exchanges (BSE and NSE) and filling necessary forms and documents to RoC. Presently process is going on to implement Scheme of Amalgamation. The Appointed Date of Amalgamation is 01st April, 2019.

Rationale of the Scheme:

The Transferee Company is the sole shareholder in the Transferor Company holding 100% shares along with a nominee. It has been realised by the Board of Directors of both the companies that the amalgamation of both these companies shall be helpful to achieve the following objectives-

(a) The commercial activities of both the companies are of similar nature and amalgamation will result in business and operational synergies in terms of complete integration of facilitates which would result in optimum utilisation of capital and resources and reduction in overall operating and maintenance cost and benefits of economies of scale.

(b) simplify management structure, leading to better administration and a reduction in costs from more focused operational efforts, rationalisation, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses;

(c) The amalgamation will result in reduction in the multiplicity of legal and regulatory compliances and reduced costs.

(d) Simplify shareholding structure and reduce shareholding tiers;

In view of the aforesaid, the Board of Directors of both the companies have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act and other relevant provisions of the Act, and other Applicable Laws.

In Terms of the Scheme and Upon coming into effect of this Scheme, the Equity and Preference shares held by the Transferee Company in the Transferor Company shall stand automatically cancelled with effect from the Effective Date without any further application, act or deed and no consideration shall be issued against the same.

Further, full details of approved Scheme of amalgamation and related disclosures and updating/Status of Amalgamation is also placed on the website of the Company at www.bodal.com

CAPITAL STRUCTURE & LIQUIDITY

Authorised Share Capital

During the 2019-2020, Company has reclassified its Authrorised Share capital between Equity shares and preference shares. Total authorized capital of the company is ₹ 52,00,00,000/- (Rupees Fifty-Two Crore Only) divided into 16,00,00,000 (Sixteen Crore only) Equity Shares of ₹ 2/- (Rupees Two) each and 2,00,00,000

Board's Report (Contd.)

(Two Crore only) Preference Shares of ₹ 10/- (Rupees Ten) each.

Issued and paid up Share Capital

The Issued, Subscribed & Paid-up Equity Share Capital of the Company as at 31st March 2020 was ₹ 244.66 Million divided into 122330165 Equity Shares, having face value of ₹ 2 each.

During the year under review, Company has allotted 1,41,400 equity Shares to the employees against the Option granted under Employee Stock Option Scheme i.e. ESOP-2017 and after that paid up share capital stood at ₹ 244.66 Million divided into 122330165 Equity Shares, having face value of ₹ 2 each.

Employees Stock Option (ESOP/ESOS)

Exercise of Options granted (Grant-01) under Bodal ESOP- 2017

During the year under review, The Nomination and Remuneration Committee at its meeting held on 21st May, 2019 has allotted 1,41,400 Number of Options granted (Grant-01) at an Exercise price of ₹ 50.00/- per share.

Grant of Options (Grant-02) under Bodal ESOP-2017

During the year under review, The Nomination and Remuneration Committee at its meeting held on 21st May, 2019 has further granted Options of 162900 to eligible employees in Second tranche under Bodal ESOP Scheme-2017 at an exercise price of ₹ 50.00/- per share. These Options is vested for 1 year and are exercisable within a period of One year from the date of grant upon satisfaction of Vesting Condition.

Grant of Options (Grant-03) under Bodal ESOP -2017

During the year under review, The Nomination and Remuneration Committee at its meeting held on 12.02.2020 has further granted options of 163900 to eligible employees in Third tranche under Bodal ESOP Scheme-2017 at an exercise price of ₹ 10.00/- per share. The Options shall vest after 1 year of Vesting Period and are exercisable within a period of One year from the date of grant upon satisfaction of Vesting Condition.

Details and Summery of Employee Stock Options granted/vested/exercised during the year 2019-20 are given in **"Annexure 2"** to this report.

Further Disclosures of the same for above events were filled to BSE and NSE and also placed on Company's website at www.bodal.com.

General Reserve

During the year under review, your Directors do not propose to transfer any amount to the General Reserve.

Term Loan and Working Capital

As on 31st March 2020, the total Debt was ₹ 2,383.31 Million, cash and Cash Equivalents were ₹ 122.64 Million resulting in Net Debt of ₹ 2,260.67 Million (₹ 1,295.22 Million as on 31st March 2019) total Debt consisted of ₹ 2,383.31 Millions of working capital loans. Further, there are no long-term loans, including long term loans maturing within 12 months of the balance sheet date.

RATINGS

The credit rating for the Company for last two years are as below: -

Type of Credit Rating	Ratings for 2018-19		Ratings for 2019-20	
	India Ratings	CARE Rating	India Ratings	CRISIL Rating
Long Term Bank Facilities	IND A+	CRISIL A+	IND A+	CRISIL A+
Short Term Bank Facilities	IND A1+	CRISIL A1+	IND A1+	CRISIL A1+

DIVIDEND

During the year 2019-20, the Board of Directors at their meeting held on 12th February 2020 has Considered and approved Interim Dividend of ₹ 0.80 (40% of Face Value of ₹ 2) per share which had absorbed ₹ 117.98 Million, including dividend distribution tax of ₹ 20.12 Million.

Board's Report (Contd.)

TRANSFER OF UNCLAIMED SHARES & DIVIDEND AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND

Section 124 of the Companies Act, 2013 mandates that companies shall transfer dividend that remain unclaimed for a period of seven years, from the unpaid dividend account to the Investor Education and Protection Fund (IEPF).

During the year under review, Your Company has not transferred any unclaimed amount and Shares to IEPF Authority.

Further, The Company has uploaded complete details of such Shares which were already transferred to DEMAT Account of IEPF Authority on its website: www.bodal.com.

Furthermore, Shareholders may claim back the shares which were already credited along with the unclaimed dividend amount from IEPF Authority after following the procedures prescribed under IEPF Rules. The procedures for claiming the same is available at www.mca.gov.in and www.iepf.gov.in.

PUBLIC /FIXED DEPOSITS

During the year under review, The Company has not accepted any deposit during the financial year under review. There were no deposits remaining unpaid/ unclaimed as at the end of the financial year 2019-20 and as such no amount of principal or interest was outstanding, as on the date of the balance sheet.

LISTING OF SECURITIES

Bodal Chemicals has 122330165 Equity Shares of ₹ 2 each fully paid, listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company confirms that it has paid annual listing fees for the financial year 2020-21 to both the Exchanges (BSE & NSE) where the Company's equity shares are listed.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors' Appointment, Retirement and Resignation

Bodal Chemicals has 7 (Seven) Directors including 3 (Three) Executives Director and 4 (Four) Independent Directors including a woman Director at the end of financial year 31st March 2020.

APPOINTMENT OF DIRECTORS

On the recommendation of Nomination and Remuneration Committee, Board of Directors has appointed Mr. Ram Parasad Srivastava (DIN: 02227457) as an Independent Director of the Company for the term of 5 years (1st Term) w.e.f. 13th August, 2019 and subsequently approved by Members of the Company by way of passing special resolution at Annual General Meeting held on 20th September, 2019.

On the recommendation of the Nomination and Remuneration Committee, Board has re-appointed Mr. Suresh J Patel (DIN: 00007400) as Chairman and Managing Director for a period of 3(Three) years with effect from 13th May, 2020. His appointment is subject to approval of Members of the Company and your approval has been sought for the same in the Notice Convening the forthcoming AGM of the Company.

On the recommendation of the Nomination and Remuneration Committee, Board has appointed Mr. Rajarshi Ghosh (DIN: 08715159) as Director-HSE for a period of 5(Five) years with effect from 27th May, 2020. His appointment is subject to approval of Members of the Company and your approval has been sought for the same in the notice convening forthcoming Annual General meeting of the Company.

Mr. Ankit S Patel, Executive Director, retire by rotation at the ensuring Annual General Meeting. He, being eligible, offers himself for re-appointment. None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 164 of the Companies Act, 2013.

Details of all the Directors have been covered in the Corporate Governance Report which forms a part of the Annual Report.

For the perusal of Shareholders, a brief resume of all the above Directors, nature of their expertise, their shareholding in the Company and other required details are given in the section of the Corporate Governance Report, which forms a part of the Director's Report in the Annual Report.

Board's Report (Contd.)

RESIGNATION OF DIRECTOR

During the year under review, Dr. Parin D. Shah. (having DIN: 08313035), Independent Director of the company, resigned from the post of Director (Independent) of the Company with effect from 05th July 2019 and the Board of Directors took note of the same at the Board Meeting held on 12th July, 2019. The Board of Directors places on record their appreciation of the valuable guidance and contribution made by Dr. Parin D. Shah during his tenure as Independent Director of the Company.

Further, Dr. Parin D. Shah. (DIN: 08313035), Independent Director resigned as Independent Director and member/ chairman from all committees due to coming across the opportunity(job) in government sector and as per terms and Conditions related to service of Government he is restricted to continue as independent Director or associate with any organisation/Companies (either in Executive or Non-Executive basis). Further, Dr. Parin D. Shah has provided confirmation that there are no such material reasons other than those provided in his resignation letter.

During the year under review, Mr. Kishorkumar P Radadia (DIN: 08532580) resigned from the post of Director-HSE of the Company w.e.f. 29th February, 2020 and the Board of Directors took note of the same at the Board Meeting held on 12th February, 2020.

Further, Mr. Kishorkumar P Radadia (DIN: 08532580) Director-HSE resigned as Director-HSE of the Company due to his health issue. Further Mr. Kishorkumar P Radadia has provided confirmation that there are no such material reasons other than those provided in his resignation letter.

KEY MANAGERIAL PERSONNEL

Followings are the Key managerial personal of the company as on date of this report

- Mr. Suresh J Patel, Chairman and Managing Director (DIN: 00007400)
- Mr. Bhavin S Patel, Executive Director (DIN:0030464)
- Mr. Ankit S Patel, Executive Director (DIN: 02173231)
- Mr. Mayur B Padhya, Chief Financial Officer
- Mr. Ashutosh B Bhatt, Company Secretary

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from all Independent Directors that they meet the Criteria of Independence as laid down in Section 149 (6) of the Companies Act, 2013 and regulations 27 (2) of the SEBI (LODR) regulations, 2015 (Listing regulations). There were no pecuniary transactions entered into with the Independent Directors apart from sitting fees.

REMUNERATION OF DIRECTORS AND KMP

Pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, disclosures pertaining to remuneration of Managerial employees, a Statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is attached as **Annexure 3** which forms part of this Report.

Company received Confirmation form Chairman of NRC Committee of the Company that Appointment term and Remuneration decide by the NRC Committee based on NRC Policy of the Company.

REMUNERATION POLICY

The Company has in place a Remuneration Policy for the Directors, KMP and other employees pursuant to the provisions of the Act and the Listing Regulations which is explained in Corporate Governance Report and which forms a part of the Board's Report.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company has an ongoing Programme where Directors in the course of meetings of the Board of Directors give information about Chemical Business developments, Expansion of the Company and various amendments in legal and regulatory areas which include

Board's Report (Contd.)

mandatory disclosures and fair disclosures stated under SEBI (LODR) regulations, 2015 (herein referred to as "Listing Agreement"), Prohibition & Insider trading regulations, and SAST Regulations so as to enable them to effectively discharge their roles, rights and responsibilities in the Company.

Details of the Familiarisation Programme for Independent Directors are available on the website of the Company at www.bodal.com

DIVERSITY OF THE BOARD

The Company recognises and embraces the benefit of having a diverse Board of Directors and views increasing diversity at the Board level as an essential element in maintaining competitive advantage in the Business in which it operates. This Policy can be accessed from the Company's website-www.bodal.com and its weblink https://bodal.com/live.php?data=6_l2

BOARD MEETINGS

During the year under review, 5(Five) meetings of the Board of Directors were held. Details of the Composition of the Board and its committees and meetings held and attendance of the Directors at such Meetings and other relevant details are provided in the Corporate Governance Report.

Further, During the year, Company has passed Board Members and NRC Committee Resolutions through Circulation dated 09th October, 2019.

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company met separately on 12th February, 2020 without the presence of Non-Independent Directors and the members of management. In accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the following matters were, inter-alia discussed in the meeting:

- Review the performance of Non-Independent Directors and the Board as a whole
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-executive Director
- Assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board Members to effectively and reasonably perform their duties

BOARD'S ANNUAL EVALUATION

In terms of the requirements of the Companies Act, 2013, and the Listing Regulations, the Board carried out the annual performance evaluation of the Board as a whole, Board Committees and the Directors The Evaluation framework adopted by the Board is set out in the Corporate Governance Report.

AUDITORS

STATUTORY AUDITORS

Your Directors recommend, as identified and suggested by the Audit Committee of the Company to continue with M/s Deloitte Haskins & Sells LLP, (FRN No. 117366W/W-100018) as statutory Auditor of the Company for 2020-2021 and 2021-2022, subject to approval of the Members of the Company, to hold office from the conclusion of the Thirty Four (34th) Annual General Meeting until the conclusion of the Thirty Sixth (36th) Annual General Meeting of the Company.

The Company has received a certificate from the Auditors stating that their appointment, if made, will be within the limit specified under Sections 139 and 141 of the Companies Act, 2013.

The report of the Statutory Auditors along with Notes to Schedules is enclosed with this Report. The Auditor's Comments on the Company's Accounts for the financial year ended on 31st March, 2020 are self-explanatory in nature and do not require any explanation as per provisions of Section 134 of the Companies Act, 2013. The Auditor's Report does not contain any qualification, reservation or adverse remark.

INTERNAL AUDITORS

M/s. Rashmin R. Patel & Co., Chartered Accountants (FRN: 132265W), Ahmedabad are Internal Auditors of the Company. Internal Auditors are appointed by the Board of Directors of the Company on a yearly basis, based on the recommendation of the Audit Committee. The

Board's Report (Contd.)

Internal Auditors report their findings on the internal audit of the Company, to the Audit Committee on a quarterly basis. The scope of internal audit is approved by the Audit Committee.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Tapan Shah, Practicing Company Secretary as a Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year 2019-20 (Period from 1st April, 2019 to 31st March, 2020).

The Report of Secretarial Auditor for the financial year 2019-20 is set out as **Annexure 4** and it forms a part of this Report.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013, the Central Government has prescribed cost audit related to the Company's product Dye Intermediates and Dyes. Based on this requirement and the recommendation made by the Audit Committee, the Board of Directors has appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad, as the Cost Auditor for the financial Year 2020-21. The Company has received a written certificate from the Cost Auditor stating that their re-appointment, if made, would be within the prescribed limits under sections 141 of the Companies Act, 2013. The Cost Audit report for the financial year 2018-19 has been filed within the prescribed time limits. The Cost Auditor's Report does not contain any qualification, reservation or adverse remark. Further, remuneration payable to them is required to be ratified by the Shareholders at the ensuing Annual General Meeting and accordingly, a resolution seeking ratification has been included in the Notice convening the Annual General Meeting.

During the year under review, the statutory auditors, secretarial auditors and cost auditors have not reported any instances of fraud committed in the Company by its officers or employees to the Audit Committee under section143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the financial year under review is presented in a separate section, forming part of the Annual Report.

CORPORATE GOVERNANCE

Bodal Chemicals Ltd. is committed to ensuring the highest levels of ethical standards, professional integrity, corporate governance and regulatory compliance. The Company understands and respects its fiduciary duty to all stakeholders and strives to meet their expectations. The core principles of independence, accountability, responsibility, transparency, fair and timely disclosures serve as the basis of the Company's approach to Corporate Governance.

Report on Corporate Governance is annexed and forms an integral part of this Annual Report. Certificate from Mr. Tapan Shah, Company Secretary in practice, regarding compliance of conditions of Report on Corporate Governance as stipulated in the Listing Regulations is also appended to the Report on Corporate Governance.

SECRETARIAL STANDARDS

Secretarial Standards for the Board and General Meetings (SS-1 & SS-2) are applicable to the Company. The Company has complied with the provisions of both these Secretarial Standards.

INDUSTRIAL RELATIONS & HUMAN RESOURCES

Industrial relations at all divisions of your Company have always been cordial and continue to be so. Your Directors wish to place on record their appreciation for the co-operation received from employees at all levels.

HUMAN RESOURCES

Grow Together

Year 2019-20 has been a milestone year from "People Front" in many ways. During the year we designed and announced different operational committees. Our team successfully managed audit of Blue Sign, and we became "Blue Sign Business Partner" and this has added one more feather in our basket.

Board's Report (Contd.)

In line with our restructuring process, our Cross Functional Teams (CFT) worked together for improving our existing operational processes, which resulted in increasing in our throughput time. In the journey of designing "Next Phase" this is one milestone that all CFTs are working well.

We at Bodal strongly believe that Human Asset is most precious and invaluable ASSET of the company. In the current scenario of globalisation and cutthroat competition, it is very much important to maintain and sustain global presence and your company is able to prove that during the year 2019-20. In future also, to maintain that agility in people practices, it is very much important. We do have that framework in place for people practices and procedures.

To keep momentum rolling we have continuous practices and belief in philosophy to Train, Coach, and Mentor our employees at all level. In some areas we have also adopted "Reverse mentoring" model, so long associated employees can learn and understand "Next Practices" of Business, which is need of time. In Learning & Development front we have structured model, where Annual Calendar has been designed based on the organisational requirements, which is monitored, based on Unit and Departmental Training Matrix, which will help us to monitor coverage of team members in mandatory and required training programs. This is also helping us to develop future human asset.

During the year we have organised our flagship program of "Independence Day Celebration" and "Safety Week Celebration" with more value additions. This year we have also organised special program for our Female Team members, "International Women's Day" celebration, which symbolised one of our organisational Value of Equality.

In the year 2019-20, we have taken up the challenge of "Digital HR" by keeping future in mind. During this year we have converted few HR processes, where Employee dependency on HR has reduced. We have created Mobile Platform of My Payroll, where they can view company news, leave details, salary details, and other individual information on real time, also they can download required documents on their fingertips. Along with this we are also focusing on building up of our digital capabilities by aligning our learning and development with new initiatives to minimise impact of technology on work processes.

HEALTH, SAFETY AND ENVIRONMENT (EHS)

Bodal Group is committed towards creating a safe, healthy and eco-friendly work environment providing the leadership and management support which is key to sustainable business growth. We are adopting Beyond the Compliance approach towards adopting and implementing EHS practices across the manufacturing process and the business. EHS principle is integrated into the manufacturing business process to have a sustainable incident free process outcome. Risk based thinking is being developed and adopted as part of the broader loss prevention strategy. Overall a holistic approach is being adopted to manage EHS risks to an acceptable level and as part of the broader Risk management strategy. Continuous training and sensitisation are part of the EHS function to enhance awareness adopting EHS at task level with proper supervision and management leadership oversight. EHS is being driven in a more agile manner with top management intervention to create a safer workplace based on the core belief that "Good Safety means good business". "Personal Protective Equipment's (PPE)" are being provided to employees including the workforce. Data of incidents are being collated and RCA (Root Cause Analysis) done and learning's shared widely to prevent further recurrence. Regular practices of scenario based mock exercise are conducted across the plants to check the efficacy of emergency planning and management. Further the improvement areas are noted and are adopted to enhance efficiency and effectiveness.

We have fully equipped in-house occupational health center manned round the clock with full time well experienced doctors and nursing assistants. In house ambulance for emergency is also available. Pre medical check-up, annual medical check-up and special health awareness camps are conducted for employees. Medical Team has also initiated "Health Gallery" and company doctor conducts counselling sessions and health talks for employees.

Board's Report (Contd.)

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

You company has issued postal ballot notice for approval of the members of the company for Preferential issue to the Promoters/Promoters Group and to the non-promoters and result has declared by company on 28th June, 2019 and allotted Equity Warrants to the proposed allottees in Board Meeting held on 12th July 2019 and has received 25% amount of total price of Equity warrant amounting ₹ 431.25 Million.

EXTRACT OF THE ANNUAL REPORT

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the extracts of the Annual Return of the Company in Form MGT-9 is annexed herewith as **Annexure 5** to this Annual Report.

ENVIRONMENT PROTECTION

The Company has undertaken various environment friendly measures in its different Units for promoting a better environment. The Company has in place adequate pollution control equipment and all the equipment are in operation.

GREEN INITIATIVE

The Ministry of Corporate Affairs had taken the Green Initiative in Report on Corporate Governance by allowing paperless compliances by Companies through electronic mode. Your Company supports the Green Initiative and has accordingly decided to send necessary communications to its Shareholders to their respective registered E-mail addresses.

SAFETY & WELLBEING OF WOMEN AT THE WORKPLACE

Bodal Chemicals Ltd. has taken various initiatives to ensure a safe and healthy workplace for its women employees. The Company has zero tolerance of sexual harassment at the work place and is fully compliant with the prevailing laws on the prevention of sexual harassment of women at the workplace. As per the provisions of Sections 21 and 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Report on the details of the number of cases filed under sexual harassment and their disposal is as under:

Sr. No.	Complaints Under Sexual Harassment (From 01St April 2019 To 31St March, 2020)	Status
1	Number of Complaints/Cases pending as at the beginning of 2019-20 i.e. 1st April, 2019	NIL
2	Number of Complaints/ Cases filed during the year (from 1st April, 2019 to 31st March, 2020)	NIL
3	Number of Complaints/ Cases as at the end of 2019-20 i.e. 31st March, 2020	NIL

VIGIL MECHANISM AND WHISTLEBLOWER POLICY

The provisions of Section 177(9) and (10) of the Companies Act, 2013 mandates every listed company to establish vigil mechanism for Directors and employees. Bodal Chemicals Ltd. has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to all the employees of the Company to raise their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Company or society as a whole. Details of complaints received and the action taken are reviewed by the Audit Committee. No concerns or irregularities have been reported by employees/directors till date.

The functioning of the Whistle Blower mechanism is reviewed by the Audit Committee from time to time. None of the Company's personnel have been denied access to the Audit Committee. The Whistle Blower policy is available on the Company's website and its web link https://bodal.com/live.php?data=6_l2

ANNUAL ACCOUNTS OF SUBSIDIARIES COMPANIES

The Accounts of the Subsidiary Companies for the financial year ended on 31st March 2020 will be made available to any shareholder of the Company on request and will also be available for inspection at the registered office of the Company during working hours till the date of the Annual General Meeting.

Board's Report (Contd.)

Statement containing salient features of financial statements of subsidiaries and Associates pursuant to section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 is annexed to this Report in the prescribed Form AOC-1, as **"Annexure 1"**

The Audited Financial Statements of Company's subsidiaries for financial year 2020 are available on the Company's website at www.bodal.com and the same are also available for inspection at the Registered Office of the Company. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same.

The Company has laid down policy on material subsidiaries and none of the subsidiary is material subsidiary as per the Policy. The policy is placed on the website of the Company and its weblink is https://bodal.com/live.php?data=6_l2

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT (R&D), TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under section 134(3) of the Companies Act, 2013, read with Rule 8 of Companies (Accounts of Companies) Rules, 2014 is annexed as **Annexure 6** to this Report.

RISK MANAGEMENT & INTERNAL CONTROL

The Company has a Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. Further details are set out in the Management Discussion and Analysis Report forming part of the Directors' Report.

The Company deploys robust system of internal controls commensurate to the size of the Company and the complexities of its operations. These systems facilitate fair presentation of its financial results in a manner that is complete and reliable, ensure adherence to regulatory and statutory compliances, and safeguards investor interest by ensuring the highest level of governance and consistent communication with investor

The Internal Auditors of the Company conduct financial, compliance and process improvement audits each year. The Audit Committee oversees the scope and evaluates the overall results of these audits, and members of that Committee regularly attend meetings of Board of Directors. The Audit Committee also reviews the adequacy and effectiveness of the internal control system, and invites functional Directors and senior management personnel to provide updates on operating effectiveness and controls, from time to time. A CEO and CFO Certificate, forming part of the Corporate Governance Report, confirm the existence and effectiveness of internal controls and reiterate their responsibilities to report deficiencies, if any, to the Audit Committee and rectify the same.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year, the Company had not provided any corporate guarantee on behalf of others.

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

CORPORATE SOCIAL RESPONSIBILITY

The Company's CSR Policy primarily rests on three broad tenets viz., Healthcare, Education & Community welfare and the same is within the ambit of Schedule VII of the Act. Your Company has a strong focus on making company's CSR efforts more systematic and strategic. Company have established procedures for planning and implementation of major CSR activities in the areas surrounding the company's plants. Your Company is presently focused on the following key areas of CSR:

1. Promoting education, including projects for developing educational infrastructure.
    a. Build Platform and Shade for the school children so they can play and take lunch.

Board's Report (Contd.)

b. Sanitary blocks for the Boys and Girls, and educate them by the company representatives on good hygiene practices

c. Build Computer Labs, to promote digital awareness at the school level.

2. Provide funds to the sports academy for promoting sports and supporting young growing sports persons.

3. Run different projects for the rural development, by interacting and participating with the local village people for better implementation.

   a. To deepen Village Lake so in monsoon, water harvesting will be possible. Also installed water harvesting infrastructure.

   b. Construct roads and other required infrastructure at village level.

4. In the year 2019-20 we focused more on the key future challenge related to Water, aim to create necessary infrastructure for the water reservoir and bring about attitude change among communities towards the appropriate use of water.

Further, Company continued several other initiatives under the CSR program, directly as well as through agency namely YUVA Unstoppable permitted under the Act. Details of CSR policy and CSR activities undertaken during the year is annexed to this report as "Annexure 7" and forms part of this Report

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended 31st March 2020 as stipulated under Regulation 34 of the SEBI Listing Regulations is annexed and forms part of this Annual Report.

RELATED PARTY TRANSACTIONS

All the related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel, or other designated persons which may have potential conflict with the interest of the company at large.

All related party transactions are placed before the Audit Committee as also the Board for approval. The Company has developed a Related Party Transaction Policy for the purpose of identification and monitoring of such transaction. The Related Party Transaction policy is placed on the Company's website www.bodal.com and its web link- https://bodal.com/live.php?data=6_l2

Particulars of Contracts or arrangements with Related Parties referred to in section 188 (1) of the Companies Act, 2013, are disclosed in Form AOC-2 as Annexure 8.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There are no Significant and Material Orders passed by the Regulators or Courts or Tribunals which would impact the going Concern status and Company's Future Operations.

INSURANCE

The Company's assets are adequately insured.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, confirm that:

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

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

Board's Report (Contd.)

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts for the financial year ended on 31st March 2020 on a going concern basis;

(e) the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the Directors have devised proper systems to ensure compliance with provisions of all the applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation for the steadfast commitment and highly motivated performance by employees at all levels which was instrumental in sustained performance of the Company. Your Directors also sincerely thank all the stakeholders, professionals, business partners, government & other statutory bodies, banks, financial institutions, analysts and shareholders for their continued assistance, cooperation and support.

For and on behalf of the Board of Directors of
Bodal Chemicals Ltd.

SURESH J. PATEL
Chairman & Managing Director
DIN : 00007400

Date: 6th July, 2020
Place: Ahmedabad

Annexure 1 to the Directors' Report - AOC . 1

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

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

Part "A"- Subsidiary & Associate

(₹ in Millions)

Particulars	Subsidiary Co.,	Wholly Owned Subsidiary	Wholly Owned Subsidiary Co.,	Foreign Wholly Owned Subsidiary Co.,	Subsidiary Co.,	Foreign Wholly Owned Subsidiary Co.,	Foreign Step Down Subsidiary
Name of the Subsidiary & Associate Co.,	S P S Processors Pvt. Ltd	Trion Chemicals Pvt. Ltd	Bodal Chemicals Trading Pvt Ltd	Bodal Chemicals trading Shijiazhuang Ltd (China)	Sener Boya Kimya Tekstil Sanayi Ve Ticaretanonim Sirketi	Bodal Bangla Ltd.	Senpa Dis Ticaret Anonim Sirketi
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March 2020	31st March 2020	31st March 2020	31st March 2020	31st March 2020	31st March 2020	31st March 2020
Reporting currency for the subsidiary	Indian Rupees	Indian Rupees	Indian Rupees	RMB	Turkish lira	Taka	Turkish lira
Reporting exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries Rupee equivalent of 1 unit of foreign currency as at 31st March 2020 (₹)	Not Applicable	Not Applicable	Not Applicable	1 RMB=10.641	1 LIRA=11.392	1 TAKA=0.88527	1 LIRA=11.392
Share Capital	16.23	99.86	0.10	13.14	233.82	1.35	0.57
Reserves & Surplus	13.04	(281.82)	4.66	(4.30)	(1.98)	(0.22)	NIL
Total Assets	**1,275.19**	**699.90**	**49.20**	**18.99**	**711.62**	**1.15**	**97.98**
Total Liabilities (excluding Share Capital and Reserves & Surplus	**1,245.91**	**851.85**	**44.44**	**8.52**	**487.06**	**0.07**	**82.90**
Investments	NIL	NIL	NIL	NIL	0.57	NIL	NIL
Turnover	1,071.57	110.49	556.05	49.03	384.03	-	88.76
Profit before taxation	(33.57)	(163.12)	6.29	(3.10)	3.95	(0.35)	5.05
Provision for taxation	(8.76)	(43.13)	(1.68)	-	0.09	-	1.11
Profit after taxation	(24.81)	(119.99)	4.61	(3.10)	3.86	(0.35)	3.93
Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL
% of shareholding	70%	100%	100%	100%	80%	100%	100% *

*** 100% shares of** SENPA DIS TICARET ANONIM SIRKETI is held by SENER BOYA KIMYA TEKSTIL SANAYI VE TICARETANONIM SIRKETI and SENPA DIS TICARET ANONIM SIRKETI is step down subsidiary company of BODAL CHEMICALS LTD.

Part "B" - Joint Ventures: None

For and on behalf of the Board of Directors of
Bodal Chemicals Ltd.

SURESH J. PATEL
Chairman & Managing Director
DIN : 00007400

Date: 6th July, 2020
Place: Ahmedabad

Annexure 2 to the Directors' Report

The Summary of Grants made during 2019-20 under Bodal ESOP Scheme 2017 as follows:

Bodal ESOP Scheme-2017	2019-20
KMPs	26,000
Employees other than KMP	3,00,800
Total Grants	**3,26,800**

Disclosures of ESOP Scheme-

Disclosure as required under Section 62(1)(b) of the Companies, Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are appended as below:

Sr. No.	Particulars	BODAL-ESOP Scheme 2017	
1	Date of Shareholders' Approval	23rd September 2017	
2	Total No of Options approved under ESOS	10,00,000 (Ten Lacs)	
3	Vesting Requirements	options granted would vest subject to vesting period of 1 (one) year	
4	Date of Grant	21.05.2019	12.02.2020
5	Exercise price or pricing formula	₹ 50.00 (Exercise Price)	₹ 10.00 (Exercise Price)
6	Variation in terms of option	No variation	No variation
7	Method of Option Valuation	Black Scholes Merton Model	Black Scholes Merton Model
8	Outstanding as at beginning of the Period	146200	-
	Granted during the Period	162900	163900
	FORFEITED during the Period	-	
	CANCELLED during the Period	-	
	Lapsed during the Period	4800	
	Exercised during the Period	141400	
	Allotted during the Period	141400	
	Number of shares arising as a result of exercise of options	141400	
	Money realised by exercise of options (₹), if scheme is implemented directly by the company	70,70,000.00	
	Number of options vested during the Period	162900	163900
	Outstanding as at the end of the Period	326800	
	Exercisable at the end of the Period	-	
9	Weighted average remaining contractual life (in years)		
10	Weighted average fair value of options granted	₹ 68.09	₹ 66.40

Annexure 2 to the Directors' Report (Contd.)

11 Employee Wise details of Options granted during the financial year 2019-20:

(a)	**key managerial personnel.**			
	Name	**Designation**	**Options Granted During the year**	**Options Allotted During the Year**
	Mr. Mayur B Padhya	Chief Financial Officer (CFO)	22000	11000
	Mr. Ashutosh B Bhatt	Company Secretary (CS)	4000	2000
(b)	**Any Other employee who receives a grant in any One year of option amounting to 5% or more of Option granted during the year**			
	Name	Designation	Options Granted During the year	% of Option granted during the year
	Mr. Mayur B Padhya	Chief Financial Officer - CFO	22000	6.73%
(C)	**Identified employees who were granted Option, during any One year, equal to or exceeding 1% of the Issued Capital (excluding outstanding warrants and conversations) of the Company at the time of Grant**			
	Name	Designation	Options Granted During the year	Options Allotted During the Year
	None			

Note: Other details as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular CIR/CFD/POLICY CELL/2/2015 dated 16th June, 2015 forms part of the Notes to financial statements in this Annual Report.

Further, NRC Committee of the Company at their Committee Meeting held on 12th February, 2020 decide to reduce exercise price from ₹ 50.00/- per Share to ₹ 10.00/- Per Share.

Annexure 3 to the Directors' Report

Details pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1	Name & Designation of Director & KMP	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for 2019-20	% increase/(decrease) in remuneration in the 2019-20
Executive/Whole Time Directors			
I	Mr. Suresh J Patel	66.74:1	50%
II	Mr. Bhavin S Patel	44.49:1	50%
III	Mr. Ankit S. Patel	44.49:1	50%
Independent Directors have been paid only sitting fees during 2019-20 and hence the Ratio to Median Remuneration has not been shown for Independent Directors			
IV	Mr. Mayur B Padhya, Chief Financial Officer	N.A.	10.00
V	Mr. Ashutosh B Bhatt, Company Secretary and Compliance officer	N.A.	19.23

2	**The percentage increase in the median remuneration of employees in the financial year**	6.42%
3	**The number of permanent employees on the rolls of company**	1,560
4	**Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**	Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2019-20 was 7.39% whereas the increase in the managerial remuneration for the same financial year was 42.65%. There was no increase in the remuneration of Managing Director and Executive Directors of the Company in last four years. Further increase in Remuneration of Executive directors and managing director is due to re-appointment with new term and this increase reflects the strong company performance and the direct contribution of the senior managerial personnel in driving this performance.
5	**Affirmation that the remuneration is as per the remuneration policy of the company**	YES

Particulars of Employees in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. Employed throughout the financial year with salary above ₹ 102 Lakh p.a.

Annexure 3 to the Directors' Report (Contd.)

Name of Employee	Mr. Suresh J. Patel	Mr. Bhavin S Patel	Mr. Ankit S Patel
Designation	**Chairman and Managing Director**	**Executive Director**	**Executive Director**
Remuneration	1,62,00,000.00	1,08,00,000.00	1,08,00,000.00
Commission	3,84,00,000.00	2,75,00,000.00	2,75,00,000.00
Nature of Employment	Permanent	Permanent	Permanent
Qualification	Bachelor in Science (B.Sc.)	Bachelor in Science (B.Sc.)	Bachelor in Economics, MBA (Finance)
Date of Commencement of Employment	01/06/2005	01/06/2005	24/05/2008
Age	63 Years	39 Years	37 Years
Previous Employment	Not Applicable	Not Applicable	Not Applicable
% of Equity Shares held in the Company	30.34% as on 31st March 2020	8.58% as on 31st March 2020	5.94% as on 31st March 2020

ii. Employed part of the Financial year with average salary above ₹ 8.50 Lacs per month: **NA**

iii. Employee employed throughout Financial year or part thereof, was in receipt of remuneration of in aggregate is in excess of that drawn by the Managing Director or Whole Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than Two percent (2%) of the Equity Shares of the Company. **NA**

iv. The name of Top 10(Ten) Employees in terms of remuneration:

SR. NO	Name of Employee	Designation	Birth Date	Date of Commencement of Employment	Annual Remuneration (CTC)	Qualification & Experience	Age	Last employment	% of Equity Share held by Employee	Whether employee is relative of any Director or Manager
1	PRASAD HARI PUJARI	Head Sulphur	17-04-1963	11-09-2008	56,19,456	M.CHEM. ENGG.	57	Dharmashi Moraji Chemical Co. limited	0.01	N.A.
2	MAYUR BACHUBHAI PADHYA	Chief Financial Officer	04-05-1971	01-04-2013	55,00,008	CA, CMA, B.com	49	Hi-Rel Electronics Private Limited	0.15	N.A.
3	V K SASIDHARAN K SASIDHARAN	V.P Tec	15-04-1950	01-07-2009	48,30,600	B.E. METROLOGY	70	Dharmashi Moraji Chemical Co. limited	0.00	N.A.
4	UDAY NARANBHAI PATEL	General Manager - Project (Div-Caustic Chlorine)	19-01-1978	04-02-2019	34,80,000	B.E. CHEMICAL	42	RSPL Limited	NIL	N.A.
5	BIPINBHAI CHANDUBHAI PATEL	Head Production-Dyes Stuff Division	06-06-1967	08-03-2019	32,40,000	B.Sc.	53	Fumochem Private. Limited	NIL	N.A.
6	WARIS AKHIL M. SUBHAN CHAUDHARY	Sr. General manager (Project)	12-10-1962	29-12-2016	32,16,000	DME, ME(MECH)	57	Paithan Mega Food Park Private Limited	0.00	N.A.
7	KISHORKUMAR POPATBHAI RADADIA	Director-HSE	01-06-1968	02-09-2019	30,50,004	M.SC, MBA	52	Shiva Pharma Chem Limited	NIL	N.A.
8	RAKESHBHAI RAVJIBHAI PATEL	President -Technical and Production	20-06-1964	01-06-2007	30,00,000	B.Sc.	55	NA	0.04	Brother-in-Law
9	MANISHA BHUPENDRABHAI PATEL	General Manager (Commercial)	28-08-1973	01-08-2012	24,30,012	CA, B.com	46	Consulatant	0.00	N.A.
10	AMIT BALMUKUND ACHARYA	General Manager	10-09-1979	17-08-2015	24,21,312	MBA(HR&IR), LLB	40	Apothecon Pharmaceuticals Private Limited	NIL	N.A.

v. Variations in the Market Capitalisations of the Company as at the Closing date of the Current Financial Year (2019-

Annexure 3 to the Directors' Report (Contd.)

20) and Previous Financial Year (2018-19):

Date /Particulars	Issued Capital (No. of Equity Shares)	Closing Market Price per share ₹ (sourced taken from www.nse.com)	Market Capitalisation (₹ In Million)
31/03/2019	12,21,88,765	126.75	15,487.43
31/03/2020	12,23,30,165	42.40	5,186.80
Increase/Decrease	**+1,41,400**	**(84.35)**	**(10,,300.63)**

Note: Variation in the market Capitalization of the Company is Decrease from 15,487.43 Million to 5186.80 Million as comparison of Closing date of the Current Financial year (2019-20) and Closing date of the Previous financial year (2018-19).

Variation in issued Capital of the Company due to During 2019-20, Nomination and Remuneration Committee of the Company dated 21st May, 2019 allotted 141400 Number of Equity Shares under Bodal ESOP Scheme -2017 to Eligible Employees of the Company.

Annexure 4 to the Directors' Report

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2020

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

To,

The Members,

BODAL CHEMICALS LIMITED

CIN: L24110GJ1986PLC009003

Plot No. 123-124, Phase-1,

GIDC, Vatva,

Ahmedabad – 382 445

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bodal Chemicals Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and based on the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit through electronically by way of scan copy or soft copy through mail or otherwise and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined through electronically by way of scan copy or soft copy through mail or otherwise, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made there under as applicable;

(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 there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

(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, as amended from time to time;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended from time to time;

c) 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;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014; and

e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & 2018;

(vi) Secretarial Standards issued by the Institute of Company Secretaries of India (SS – 1 and SS – 2).

Annexure 4 to the Directors' Report (Contd.)

I have also examined compliance with the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,amended from time to time, pursuant to the Listing Agreement of the said Company with stock exchanges.

Further being a Chemical Industry,apart from Environment, Pollution and safety related compliances, Narcotics Law 1985 is applicable to the Company, for which examination of the relevant documents and records, on test check basis has been carried out.

During the period under review the Company has generally complied with the all material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, the Company has spent less than the prescribed threshold limit of 2% of its average net profits for the last three financial years (as calculated in accordance with the Companies Act,2013) towards Corporate Social Responsibility.

During the Period under review, provisions of the following Acts, Rules, Regulations, Guidelines, etc. were not applicable to the Company:

i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

ii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 & 2018;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings; and

I further report that –

The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that –

Based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit and on the basis of Compliance Certificates issued by the Managing Director and Company Secretary of the Company and taken on record by the Board of Directors at their meetings, in my opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, competition law, environmental laws, etc.

I further report that –

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

During the year, all decision in the Board Meetings were carried unanimously.

I further report that during the audit period there were few specific events/ actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, details of which are as stated below:

i. The company has made further investment in a Trion Chemicals Private Limited and acquired remaining stake of 41% and made the same Company as wholly owned subsidiary company of Bodal Chemicals limited.

Annexure 4 to the Directors' Report (Contd.)

ii. The Company has formed new wholly owned subsidiary Companies in Bangladesh, namely Bodal Bangla Limited and subsidiary company in Turkey, namely SENER BOYA KIMYA TEKSTIL SANAYI VE TICARETANONIM SIRKETI and made total investment to the extent of ₹ 3,193.25 Lacs in both the Companies.

iii. The members of the Company have re-appointed Mr. Ankit Patel as an Executive Director and also approved revision in remuneration of Mr. Suresh Patel and Mr. Bhavin Patel in the AGM held on 20/09/2019.

iv. The members of the Company have enhanced the Company's borrowing powers and limits for creation of charge on the properties of the Company to the extent of ₹ 2000 Crores, as approved by the members in the AGM held on 20/09/2019.

v. The Company has re-classified its authorised share capital and issued 1,50,00,000 convertible warrants to the promoters and non promoters on preferential basis, as approved by the members through Postal ballot process as on 28/06/2019.

vi. The Company's operation were affected and closed for last 10 days due to lockdown effected by Government of India under Pandemic COVID-19.

Name of Company Secretary in practice

Tapan Shah
FCS No.: 4476
C P No. : 2839
UDIN : F004476B000417570

Date : 6th July, 2020
Place: Ahmedabad

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

Due to restricted movement amid COVID-19 pandemic, I have conducted the Secretarial audit by examining the secretarial records including Minutes, Documents, Registers and other records, etc., some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to me are the true and correct.

Annexure A

To,

The Members,

BODAL CHEMICALS LIMITED

CIN: L24110GJ1986PLC009003

Plot No. 123-124, Phase-1,

GIDC,Vatva,

Ahmedabad – 382 445

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done based on the records and documents provided, on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
6. The Secretarial Audit report 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.

Name of Company Secretary in practice

Tapan Shah
FCS No.: 4476
C P No. : 2839
UDIN : F004476B000417570

Date : 6th July, 2020
Place: Ahmedabad

Annexure 5 to the Directors' Report

MGT 9

Extract of Annual Return as on financial year ended on 31st March 2020
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I	**Registration and Other Details**		
	i)	CIN	L24110GJ1986PLC009003
	ii)	Registration Date:	24th September, 1986
	iii)	Name of the Company:	BODAL CHEMICALS LIMITED
	iv)	Category / Sub-Category of the Company	Company Ltd. by Shares
	v)	Address of the Registered Office and contact details	**Registered Office:** Plot No 123, 124 Phase-1, GIDC, Vatva, Ahmedabad- 382445 **Corporate Office:** "BODAL CORPORATE HOUSE", Beside Maple Green Reasi., Nr. Anand Niketan School, Nr. Shilaj Circle, Off. S P Ring Road, Thaltej, Ahmedabad-380059 Email: secretarial@bodal.com Phone No.: +079 68160100
	vi)	Whether listed company	YES
	vii)	Name, Address and Contact details of Registrar & Share Transfer Agents (RTA)	M/s. Link Intime India Pvt Ltd. UNIT: BODAL CHEMICALS LTD Ahmedabad Branch: 5th Floor, 506 TO 508, Amarnath Business Centre – 1, Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Navrangpura, Ahmedabad – 380 009 ahmedabad@linkintime.co.in Phone No: 079 - 2646 5179

Annexure 5 to the Directors' Report (Contd.)

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		**As per Annexure A**
III	**Particulars of Holding, Subsidiary and Associate Companies**		**As per Annexure B**
IV	**Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)**		**As per Annexure C**
	i)	Category-wise Shareholding	
	ii)	Shareholding of Promoters	
	iii)	Change in Promoters' Shareholding (please specify, if there is no change)	
	iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):	
	v)	Shareholding of Directors and Key Managerial Personnel:	
V	**Indebtedness**		**As per Annexure D**
	Indebtedness of the Company including interest outstanding/accrued but not due for payment		
VI	**Remuneration of Directors and Key Managerial Personnel**		**As per Annexure E**
	i)	Remuneration to Managing Director, Whole-time Directors and/or Manager	
	ii)	Remuneration to other Directors	
	iii)	Remuneration to Key Managerial Personnel other than Managing Director/ Manager/Whole-time Director	
VII	**Penalties / Punishment/ Compounding of Offences**		**As per Annexure F**

Annexure- A

II Principal Business Activities of the Company

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	VINLY SULPHONE ESTER	20119	14.87%
2	H ACID	20119	9.43%

Annexure 5 to the Directors' Report (Contd.)

ANNEXURE B

III Particulars of Holding, Subsidiary and Associate Companies:

Name of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
Trion Chemicals Pvt Ltd	U51900GJ2009PTC056781	Wholly Owned Subsidiary	100%	2(87)
S P S Processors Pvt Ltd	U18201DL2002PTC115883	Subsidiary	70%	2(87)
Bodal Chemicals Trading Pvt Ltd	U51597GJ2018PTC105513	Wholly Owned Subsidiary	100%	2(87)
Bodal Chemicals trading Shijiazhuang Ltd-China	-------	Foreign Wholly Owned Subsidiary	100%	2(87)
Sener Boya Kimya Tekstil Sanayi Ve Ticaret Anonim Sirketi	-------	Foreign Subsidiary	80%	2(87)
Bodal Bangla Ltd.	-------	Foreign Wholly Owned Subsidiary	100%	2(87)
Senpa Dis Ticaret Anonim Sirketi	-------	Step down subsidiary (wholly owned subsidiary of sener BoyaKimya Tekstil Sanayi Ve Ticaret Anonim Sirketi – Subsidiary of Bodal Chemicals Ltd)		

Annexure-C

I) Category-wise Shareholding:

Sr No.	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Shareholding of Promoter and Promoter Group**									
[1]	**Indian**									
(a)	Individuals / Hindu Undivided Family	60585042	0	60585042	49.58	60585042	0	60585042	49.53	-0.05
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)									
Sub Total (A)(1)		**60585042**	**0**	**60585042**	**49.58**	**60585042**	**0**	**60585042**	**49.53**	**-0.05**
[2]	**Foreign**									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	10681174	0	10681174	8.74	10730620	0	10730620	8.77	0.03
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
Sub Total (A)(2)		**10681174**	**0**	**10681174**	**8.74**	**10730620**	**0**	**10730620**	**8.77**	**0.03**
Total Shareholding of Promoter and Promoter Group(A)=(A)(1) +(A)(2)		**71266216**	**0**	**71266216**	**58.32**	**71315662**	**0**	**71315662**	**58.30**	**-0.02**

Annexure 5 to the Directors' Report (Contd.)

Sr No.	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B)	**Public Shareholding**									
[1]	Institutions									
(a)	Mutual Funds / UTI	7298702	0	7298702	5.97	6820246	0	6820246	5.58	-0.40
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	7611011	0	7611011	6.23	5813901	0	5813901	4.75	-1.48
(f)	Financial Institutions / Banks	143449	0	143449	0.12	138706	0	138706	0.11	-0.00
(g)	Insurance Companies	0	4000	4000	0.00	0	4000	4000	0.00	0.00
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (Specify)									
Sub Total (B)(1)		**15053162**	**4000**	**15057162**	**12.32**	**12772853**	**4000**	**12776853**	**10.44**	**-1.88**
[2]	**Central Government/ State Government(s)/ President of India**									
	Central Government / State Government(s)	0	0	0	0.00	7525	0	7525	0.00	0.00
Sub Total (B)(2)		**0**	**0**	**0**	**0.00**	**7525**	**0**	**7525**	**0.00**	**0.00**
[3]	**Non-Institutions**									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	21469574	675429	22145003	18.12	22803254	613264	23415768	19.14	1.02
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 Lacs	5679636	0	5679636	4.65	6137671	0	6137671	5.02	0.37
(b)	NBFCs registered with RBI	14104	0	14104	0.01	1000	0	1000	0.00	-0.01
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	IEPF	688116	0	688116	0.56	685616	0	685616	0.56	-0.00
	Trusts	33650	0	33650	0.03	33561	0	33561	0.03	-0.00
	Foreign Nationals	6042	0	6042	0.00	2542	0	2542	0.00	-0.00
	Hindu Undivided Family	1286489	0	1286489	1.05	1650717	0	1650717	1.35	0.30
	Non Resident Indians (Non Repat)	441827	3115	444942	0.36	464711	3100	467811	0.38	0.01
	Non Resident Indians (Repat)	1225833	0	1225833	1.00	1175179	0	1175179	0.96	-0.04
	Clearing Member	393655	0	393655	0.32	229827	0	229827	0.19	-0.13
	Bodies Corporate	3947417	500	3947917	3.23	4429683	0	4429683	3.62	0.39
	Sub Total (B)(3)	**35186343**	**679044**	**35865387**	**29.35**	**37613761**	**616364**	**38229375**	**31.25**	**1.90**
Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)		**50239505**	**683044**	**50922549**	**41.68**	**50394139**	**620364**	**51013753**	**41.70**	**0.02**
Total (A)+(B)		**121505721**	**683044**	**122188765**	**100.00**	**121709801**	**620364**	**122330165**	**100.00**	**0.00**
(C)	**Non Promoter - Non Public**									
	(C1) Shares Underlying DRs									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.00	0.00
	(C2) Shares Held By Employee Trust									
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.00	0.00
Total (A)+(B)+(C)		**121505721**	**683044**	**122188765**	**100.00**	**121709801**	**620364**	**122330165**	**100.00**	

Annexure 5 to the Directors' Report (Contd.)

Details of issue of Convertible Equity Warrants to Promoter- Promoter Group and Non- Promoter Group on Preferential Basis:

SR. No.	Name of Allottee	Category of the Allottee as per Regulation 31(1) of SEBI (LODR) Regulations, 2015	No. & % of Equity Shares held prior to the Preferential Allotment		No. & % of Warrants to be issued and allotted		No. & % of Post Issue Equity and Voting Share Capital *(Assuming full allotment of 1,50,00,000 equity shares)	
			No. of Shares	% of Shares	No. of Shares	% of Shares	No. of Shares	% of Shares
1	Dhaval Kamleshbhai Shah	Non-Promoter	NIL	NIL	500000	3.33	500000	0.36
2	Sandip Kamleshbhai Shah	Non-Promoter	NIL	NIL	1000000	6.67	1000000	0.73
3	Kamalesh Ratilal Shah	Non-Promoter	NIL	NIL	500000	3.33	500000	0.36
4	Binaben Sandipbhai Shah	Non-Promoter	NIL	NIL	500000	3.33	500000	0.36
5	Suresh J Patel	Promoter	37112857	30.34	7500000	50.00	44612857	32.49
6	Ankit S Patel	Promoter Group	7261072	5.94	2500000	16.67	9761072	7.11
7	KIFS Commercial through its Partner KIFS TRADE CAPITAL PRIVATE LTD.	Non-Promoter	NIL	NIL	2000000	13.33	2000000	1.46
8	Shaishav rakeshkumar Shah	Non-Promoter	NIL	NIL	250000	1.67	250000	0.18
9	Rakesh Ramanlal Shah	Non-Promoter	NIL	NIL	250000	1.67	250000	0.18
TOTAL					**15000000**	**100.00**		

Summary of Issue of Convertible Equity Warrants to Promoter-Promoter Group and Non- Promoter Group:

Sr. No.	Category	Issue of equity warrants	
		No of Warrants	% of warrant holding
1	Promoter and Promoter Group	1,00,00,000	66.67%
2	Bodies Corporate/LLP/ Partnerships	20,00,000	13.33%
3	Indian Public	30,00,000	20.00%
Total		**1,50,00,000**	**100.00%**

Share Holding of Promoters (Including Promoter Group)

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			% change in shareholding during the year
		No. of Shares Held	% of total Shares of the Company	%of Shares Pledged /encumbered to total shares	No. of Shares Held	% of total Shares of the Company	%of Shares Pledged/ encumbered to total shares	
1	Sureshbhai Jayantibhai Patel	37112857	30.37	0.00	37112857	30.34	0.00	-0.04
2	Bhavin Suresh Patel	10496342	8.59	0.00	10496342	8.58	1.43	-0.01
3	Ankit Sureshbhai Patel	7261072	5.94	0.00	7261072	5.94	0.00	0.00
4	Shakuntala J Patel	5784740	4.73	0.00	5784740	4.73	0.00	0.00
5	Meenaben Sureshbhai Patel	5228960	4.28	0.00	5228960	4.27	0.00	-0.01
6	Rameshbhai Dahyabhai Patel	4896434	4.01	0.00	4945880	4.04	0.00	0.03
7	Ramesh Prabodhchandra Patel	385299	0.32	0.00	385299	0.32	0.00	0.00
8	Rakeshbhai Ravjibhai Patel	44442	0.04	0.00	44442	0.04	0.00	0.00
9	Bansibhai Maganbhai Patel	31680	0.03	0.00	31680	0.03	0.00	0.00
10	Ramesh Prabodhchandra Patel-Huf	24390	0.02	0.00	24390	0.02	0.00	0.00

Note: % Change in Shareholding during the 2019-20, Due to Variation in issued Capital of the Company due to During 2019-20, Nomination and Remuneration Committee of the Company dated 21st May,2019 allotted 141400 Number of Equity Shares under Bodal ESOP Scheme -2017 to Eligible Employees of the Company.

Annexure 5 to the Directors' Report (Contd.)

Details of Issue of Convertible warrants to Promoter and Promoter Group:

Sr. No.	Name	Category	Issue of No of Warrants
1	Mr. Suresh J Patel- Chairman and MD	Promoter	75,00,000
2	Mr. Ankit S Patel- Executive Director	Promoter Group	25,00,000

II) Change in Promoters' (Including Promoter Group) Shareholding:

Sr No.	Name & Type of Transaction	Shareholding at the Beginning of the year - 2019		Transactions During The Year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of total shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of total Shares of the Company
1	SURESHBHAI JAYANTIBHAI PATEL	37112857	30.37			37112857	30.34
	AT THE END OF THE YEAR					**37112857**	**30.34**
2	BHAVIN SURESH PATEL	10496342	8.59			10496342	8.58
	AT THE END OF THE YEAR					**10496342**	**8.58**
3	ANKIT SURESHBHAI PATEL	7261072	5.94			7261072	5.94
	AT THE END OF THE YEAR					**7261072**	**5.94**
4	SHAKUNTALA J PATEL	5784740	4.73			5784740	4.73
	AT THE END OF THE YEAR					**5784740**	**4.73**
5	MEENABEN SURESHBHAI PATEL	5228960	4.28			5228960	4.27
	AT THE END OF THE YEAR					**5228960**	**4.27**
6	RAMESHBHAI DAHYABHAI PATEL	4896434	4.00			4896434	4.00
	ACQUISITION			06 MAR 2020	29446	4925880	4.03
	ACQUISITION			27 MAR 2020	20000	4945880	4.04
	AT THE END OF THE YEAR					**4945880**	**4.04**
7	RAMESH PRABODHCHANDRA PATEL	385299	0.32			385299	0.32
	AT THE END OF THE YEAR					**385299**	**0.32**
8	RAKESHBHAI RAVJIBHAI PATEL	44442	0.04			44442	0.04
	AT THE END OF THE YEAR					**44442**	**0.04**
9	BANSIBHAI MAGANBHAI PATEL	31680	0.03			31680	0.03
	AT THE END OF THE YEAR					**31680**	**0.03**
10	RAMESH PRABODHCHANDRA PATEL	24390	0.02			24390	0.02
	AT THE END OF THE YEAR					**24390**	**0.02**

Note: 1. During the Financial Year 2019-20, Company allotted 141400 Number of Shares under Bodal ESOP Scheme 2017 to eligible employees of the Company effect to that Paid up Share capital of the Company (Face value ₹ 2.00) at the beginning of the year (01st April, 2019) stated 122188165 Shares and at the end of the year (31st March, 2020) is 122330165 Shares.

Note: 2. The details of Holding has been clubbed based on PAN

Annexure 5 to the Directors' Report (Contd.)

III) Share Holding Pattern of Top Ten Share Holders:

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	ICICI PRUDENTIAL LONG TERM EQUITY FUND TAX SAVINGS	4682423	3.8321			4682423	3.8277
	Transfer			26 Jul 2019	11697	4694120	3.8373
	Transfer			02 Aug 2019	88303	4782423	3.9094
	Transfer			14 Feb 2020	24134	4806557	3.9292
	Transfer			31 Mar 2020	(24134)	4782423	3.9094
	AT THE END OF THE YEAR					**4782423**	**3.9094**
2	RELIANCE CAPITAL TRUSTEE CO LTD-A/C NIPPON INDIA GROWTH FUND	2616279	2.1411			2616279	2.1387
	Transfer			14 Jun 2019	(85681)	2530598	2.0687
	Transfer			21 Jun 2019	(87512)	2443086	1.9971
	Transfer			26 Jul 2019	(26831)	2416255	1.9752
	Transfer			21 Feb 2020	(57784)	2358471	1.9280
	Transfer			28 Feb 2020	(120648)	2237823	1.8293
	Transfer			27 Mar 2020	(200000)	2037823	1.6658
	AT THE END OF THE YEAR					**2037823**	**1.6658**
3	JUPITER INDIA FUND	2017828	1.6514			2017828	1.6495
	Transfer			10 Jan 2020	(123811)	1894017	1.5483
	Transfer			21 Feb 2020	(22487)	1871530	1.5299
	Transfer			06 Mar 2020	(22744)	1848786	1.5113
	AT THE END OF THE YEAR					**1848786**	**1.5113**
4	KUWAIT INVESTMENT AUTHORITY FUND 225	1188000	0.9722			1188000	0.9711
	Transfer			05 Apr 2019	(7338)	1180662	0.9651
	Transfer			12 Apr 2019	(14244)	1166418	0.9535
	Transfer			19 Apr 2019	(16667)	1149751	0.9399
	AT THE END OF THE YEAR					**1149751**	**0.9399**
5	EASTSPRING INVESTMENTS INDIA INFRASTRUCTURE EQUITY OPEN LTD.	850000	0.6956			850000	0.6948
	Transfer			12 Apr 2019	(7955)	842045	0.6883
	Transfer			19 Apr 2019	(19609)	822436	0.6723

Annexure 5 to the Directors' Report (Contd.)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			31 Jan 2020	25000	847436	0.6927
	Transfer			07 Feb 2020	67450	914886	0.7479
	AT THE END OF THE YEAR					**914886**	**0.7479**
6	MONARCH NETWORTH FINSERVE PRIVATE LTD.	881000	0.7210			881000	0.7202
	Transfer			01 Nov 2019	(1000)	880000	0.7194
	AT THE END OF THE YEAR					**880000**	**0.7194**
7	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	688116	0.5631			688116	0.5604
	Transfer				(2500)	685616	0.5604
	AT THE END OF THE YEAR					**685616**	**0.5604**
8	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DFA INVESTMENT DIMENSIONS GROUP INC. (DFAIDG)	819591	0.6707			819591	0.6700
	Transfer			07 Feb 2020	(12545)	807046	0.6597
	Transfer			28 Feb 2020	(25896)	781150	0.6386
	Transfer			06 Mar 2020	(37053)	744097	0.6083
	Transfer			13 Mar 2020	(13356)	730741	0.5974
	Transfer			20 Mar 2020	(58835)	671906	0.5493
	Transfer			27 Mar 2020	(39280)	632626	0.5171
	Transfer			31 Mar 2020	(27714)	604912	0.4945
	AT THE END OF THE YEAR					**604912**	**0.4945**
9	INDIRA ARVIND SURTI	504859	0.413			504859	0.4127
	Transfer			12 Apr 2019	20000	524859	0.4291
	Transfer			29 Jun 2019	72983	597842	0.4887
	Transfer			19 Jul 2019	48656	646498	0.5285
	Transfer			16 Aug 2019	(57000)	589498	0.4819
	Transfer			06 Sep 2019	(35983)	553515	0.4525
	Transfer			27 Sep 2019	40100	593615	0.4853
	Transfer			04 Oct 2019	7000	600615	0.4910
	Transfer			11 Oct 2019	(7000)	593615	0.4853
	Transfer			01 Nov 2019	9883	603498	0.4933

Annexure 5 to the Directors' Report (Contd.)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			27 Dec 2019	7000	610498	0.4991
	Transfer			14 Feb 2020	(1300)	609198	0.4980
	Transfer			21 Feb 2020	(5000)	604198	0.4939
	Transfer			20 Mar 2020	(10583)	593615	0.4853
	Transfer			27 Mar 2020	(10000)	583615	0.4771
	AT THE END OF THE YEAR					**583615**	**0.4771**
10	PRAVIN HARIKRISHNA SURTI	600000	0.4910			600000	0.4905
	Transfer			20 Mar 2020	(20000)	580000	0.4741
	Transfer			27 Mar 2020	(10000)	570000	0.4660
	AT THE END OF THE YEAR					**570000**	**0.4660**
11	MONARCH NETWORTH CAPITAL LTD.	822644	0.6732			822644	0.6725
	Transfer			05 Apr 2019	(173)	822471	0.6723
	Transfer			12 Apr 2019	(14913)	807558	0.6601
	Transfer			19 Apr 2019	(457907)	349651	0.2858
	Transfer			26 Apr 2019	(104)	349547	0.2857
	Transfer			03 May 2019	787	350334	0.2864
	Transfer			10 May 2019	(399)	349935	0.2861
	Transfer			17 May 2019	(625)	349310	0.2855
	Transfer			24 May 2019	1891	351201	0.2871
	Transfer			31 May 2019	24150	375351	0.3068
	Transfer			07 Jun 2019	(25915)	349436	0.2856
	Transfer			14 Jun 2019	(216)	349220	0.2855
	Transfer			21 Jun 2019	(317087)	32133	0.0263
	Transfer			29 Jun 2019	(30883)	1250	0.0010
	Transfer			05 Jul 2019	(799)	451	0.0004
	Transfer			12 Jul 2019	450	901	0.0007
	Transfer			19 Jul 2019	15296	16197	0.0132
	Transfer			26 Jul 2019	5121	21318	0.0174
	Transfer			02 Aug 2019	987	22305	0.0182
	Transfer			09 Aug 2019	(1399)	20906	0.0171
	Transfer			16 Aug 2019	150	21056	0.0172
	Transfer			23 Aug 2019	800	21856	0.0179
	Transfer			30 Aug 2019	(474)	21382	0.0175
	Transfer			06 Sep 2019	450	21832	0.0178

Annexure 5 to the Directors' Report (Contd.)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			13 Sep 2019	(2597)	19235	0.0157
	Transfer			20 Sep 2019	73	19308	0.0158
	Transfer			27 Sep 2019	(2830)	16478	0.0135
	Transfer			30 Sep 2019	(15874)	604	0.0005
	Transfer			04 Oct 2019	(100)	504	0.0004
	Transfer			11 Oct 2019	6800	7304	0.0060
	Transfer			18 Oct 2019	400	7704	0.0063
	Transfer			25 Oct 2019	2	7706	0.0063
	Transfer			01 Nov 2019	(763)	6943	0.0057
	Transfer			08 Nov 2019	(221)	6722	0.0055
	Transfer			15 Nov 2019	(964)	5758	0.0047
	Transfer			22 Nov 2019	1500	7258	0.0059
	Transfer			29 Nov 2019	(1538)	5720	0.0047
	Transfer			06 Dec 2019	300	6020	0.0049
	Transfer			13 Dec 2019	(289)	5731	0.0047
	Transfer			20 Dec 2019	(11)	5720	0.0047
	Transfer			27 Dec 2019	(5559)	161	0.0001
	Transfer			31 Dec 2019	335	496	0.0004
	Transfer			03 Jan 2020	14124	14620	0.0120
	Transfer			10 Jan 2020	(8564)	6056	0.0050
	Transfer			17 Jan 2020	3353	9409	0.0077
	Transfer			24 Jan 2020	(6357)	3052	0.0025
	Transfer			31 Jan 2020	(1940)	1112	0.0009
	Transfer			07 Feb 2020	(520)	592	0.0005
	Transfer			14 Feb 2020	4258	4850	0.0040
	Transfer			21 Feb 2020	(3322)	1528	0.0012
	Transfer			28 Feb 2020	1711	3239	0.0026
	Transfer			06 Mar 2020	26334	29573	0.0242
	Transfer			13 Mar 2020	(26893)	2680	0.0022
	Transfer			27 Mar 2020	(1405)	1275	0.0010
	Transfer			31 Mar 2020	83	1358	0.0011
	AT THE END OF THE YEAR					**1358**	**0.0011**

Note: 1: paid Up Share Capital of the Company (Face Value ₹ 2.00/-) at the end of Financial Year is 122330165 Shares

Note: 2: The Details of the Holding has been clubbed base on PAN

Note: 3: % of total Shares of the Company is based on the paid-up Capital of the Company at the end of the Year.

Annexure 5 to the Directors' Report (Contd.)

IV) Share Holding of Director and Key managerial Personnel:

Sr. No.	Name of Directors/KMPs	Share at the Beginning of the year		Shar holding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	**Mr. Suresh J Patel Chairman and MD**				
	At the beginning of the Year	37112857	30.37		
	Bought During the Year	-	-	-	-
	Sold During the Year	-	-	-	-
	At the end of the Year			**37112857**	**30.34**
2	**Mr. Bhavin S Patel Executive Director**				
	At the beginning of the Year	10496342	8.59		
	Bought During the Year	-	-	-	-
	Sold During the Year	-	-	-	-
	At the end of the Year			**10496342**	**8.58**
3	**Mr. Ankit S Patel Executive Director**				
	At the beginning of the Year	7261072	5.94	-	-
	Bought During the Year	-	-	-	-
	Sold During the Year				
	At the end of the Year			**7261072**	**5.94**
4	**Mr. Sunil K Mehta Independent Director**				
	At the beginning of the Year	200000	0.16	-	-
	Bought During the Year	-	-	-	-
	Sold During the Year	-	-	-	-
	At the end of the Year			200000	0.16
5	**Mr. Nalin Kumar Independent Director**				
	At the beginning of the Year	-	-	-	-
	Bought During the Year	-	-	-	-
	Sold During the Year	-	-	-	-
	At the end of the Year	-	-	-	-
6	**Mr. Neha S Huddar Independent Director**				
	At the beginning of the Year	1000	0.00		
	Bought During the Year	-	-	-	-
	Sold During the Year	-	-	-	-
	At the end of the Year			**1000**	**0.00**
7	**Mr. Ram Prasad Srivastava Independent Director**				
	At the beginning of the Year	-	-	-	-
	Bought During the Year	-	-	-	-

Annexure 5 to the Directors' Report (Contd.)

Sr. No.	Name of Directors/KMPs	Share at the Beginning of the year		Shar holding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Sold During the Year	-	-	-	-
	At the end of the Year	**-**	**-**	**-**	**-**
8	**Mr. Kishorkumar P Radadia Director-HSE (Resigned from Director-HSE with effect from 29-02-2020)**				
	At the beginning of the Year	-	-	-	-
	Bought During the Year	-	-	-	-
	Sold During the Year	-	-	-	-
	At the end of the Year	**-**	**-**	**-**	**-**
9	**Mr. Mayur B Padhya- CFO**				
	At the beginning of the Year	169750	0.14	-	-
	Bought During the Year Allotment pursuant to Bodal ESOP Scheme -2017	11000	0.01	180750	0.15
	Sold During the Year	-	-	-	-
	At the end of the Year	**-**	**-**	**180750**	**0.15**
10	Mr. Ashutosh B Bhatt- CS				
	At the beginning of the Year	-	-	-	-
	Bought During the Year Allotted pursuant to Bodal ESOP Scheme -2017	2000	0.00	-	-
	Sold During the Year	2000	0.00	0	0
	At the end of the Year	**-**	**-**	**0**	**0**

Annexure-D

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,35,25,41,325.00	13,67,436.00	70,38,117.00	1,36,09,46,878.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	7,32,534.00	7,32,534.00
Total (i+ii+iii)	**1,35,25,41,325.00**	**13,67,436.00**	**77,70,651.00**	**1,36,16,79,412.00**
Change in Indebtedness during the financial year				
Addition	23,10,90,04,485.00	7,08,11,19,027.00	19,50,542.00	30,19,20,74,054.00
Reduction	(22,89,15,93,617.00)	(6,26,91,30,060.00)	(10,08,858.00)	(29,16,17,32,535.00)
Net Change	21,74,10,868.00	81,19,88,967.00	9,41,684.00	1,03,03,41,519.00
Indebtedness at the end of the financial year				
i) Principal Amount	1,56,99,52,193.00	81,33,56,403.00	79,34,850.00	2,39,12,43,446.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	7,77,485.00	7,77,485.00
Total (i+ii+iii)	**1,56,99,52,193.00**	**81,33,56,403.00**	**87,12,335.00**	**2,39,20,20,931.00**

Annexure 5 to the Directors' Report (Contd.)

ANNEXURE- E

VI. Remuneration of Directors and Key Managerial Personnel:

(In ₹)

Sr. No.	Particulars of Remunerations	Mr. Suresh J. Patel Chairman & Managing Director	Mr. Bhavin S. Patel Executive Director	Mr. Ankit S. Patel Executive Director	Mr. Kishorkumar P Radadia Director-HSE	Total
1	**Gross salary**					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,62,00,000.00	1,08,00,000.00	1,08,00,000.00	16,62,677.00	3,94,62,677.00
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	39,600.00	39,600.00	39,600.00	16,200.00	1,35,000.00
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-	-
2	Stock Options	-	-	-	-	
3	Sweat Equity	-	-	-	-	-
4	**Commission**					
	as % of profit	3,84,00,000	2,75,00,000	2,75,00,000	-	9,34,00,000
	others, specify….(Performance based)	-	-	-	-	-
5	Others (Contribution to PF)	-	-	-	-	-
	Total (A)	**5,46,39,600**	**3,83,39,600**	**3,83,39,600**	**1,67,88,77**	**13,29,97,677**

Ceiling as per the Act (@10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 ₹ 13,85,48,050.

Note: Mr. Kishorkumar P Radadia (DIN: 08532580) resigned from the post of Director-HSE of the Company w.e.f. 29-2-2020.

II Remuneration to other Directors:

(in ₹)

Sr. No.	Particulars	Fees for attending Board Meeting/ Committee Meeting	Commission	Others, Specify	Total Amount
Independent Directors					
1	Mr. Sunil K. Mehta	1,55,000.00	-	-	1,55,000.00
2	Mr. Nalin Kumar	1,80,000.00	-	-	1,80,000.00
3	Mrs. Neha Huddar	1,65,000.00	-	-	1,65,000.00
4	Dr. Parin D Shah- Resigned w.e.f. 05-07-2019	25,000.00	-	-	25,000.00
5	Mr. Ram Prasad Srivastava- Appointed w.e.f. 13-08-2019	50,000.00	-	-	50,000.00
TOTAL		**5,75,000.00**	**-**	**-**	**5,75,000.00**

Ceiling as per the Act (@1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 - ₹ 1,38,54,805

Annexure 5 to the Directors' Report (Contd.)

III Remuneration to Key Managerial Personnel Other than MD/manager/WTD

(in ₹)

Sr. No.	Particulars of Remuneration	Mr. Mayur B. Padhya Chief Financial Officer	Mr. Ashutosh B. Bhatt Company Secretary and Compliance Officer	Total
1	**Gross salary**			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	48,76,176.00	10,73,928.00	59,50,104.00
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	39,600.00	-	39,600.00
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options	7,55,425.00	1,37,350.00	8,92,775.00
3	Sweat Equity	-	-	-
4	**Commission**	-	-	-
	as % of profit	-	-	-
	others, specify…. (Performance based)	-	-	-
5	Others (Contribution to PF)	-	-	-
	Total	**56,71,201.00**	**12,11,278.00**	**68,82,479.00**

During the year, NRC Committee meeting held on 21.05.2019 allotted 141400 Number of Equity Shares under Bodal ESOP Scheme-2017 to eligible employees of the Company.

ANNEXURE-F

VII Penalties / Punishment / Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A Company					
Penalty			None		
Punishment					
Compounding					
B DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

Annexure 6 to the Directors' Report

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT (R&D), TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO:

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

Energy Conservation measures taken:

- Reducing the HP of Motors where possible
- Improvement in low insulation.
- Periodic desertion of Boiler

Additional Investment and Proposals, if any, being implemented for reduction of consumption of energy:

The company's Sulphuric Acid plant generates steam, part of the same is used to run our TC, Dyes and Dyes Intermediates plant and balance is used to generate power, by installation of turbine, to run Sulphuric Acid plant itself.

Impact of above:

The adoption of energy conservation measures indicated above has a consequent impact on cost of production of goods by way of reduction of fuel cost.

Total Energy Consumption per unit of Production:

		2019-20	2018-19
(i)	Total consumption of Electric (Units)	13.82 Million	25.71 Million
	Total Amount (₹ in Million)	126.47 Million	194.00 Million
	Unit/Average Rate (In ₹)	Unit/₹ 9.15	Unit/₹ 7.55
(ii)	Fuel		
	Quantity	Kgs 83.74 Million Ltr 0.08 Million MMBTU 0.010 Million	Kgs 54.57 Million Ltr 0.12 Million MMBTU 0.006 Million
	Total Amount (₹ in Million)	508.62 Million	451.48 Million
	Unit /Average Rate (In ₹)	Kgs/ -₹ 5.87 Ltr/ -₹ 68.99 MMBTU/₹ 1,057.15	Kgs/ - ₹ 8.01 Ltr/ - ₹ 73.10 MMBTU/₹ 1,047.81

RESEARCH & DEVELOPMENT (R & D)

Future Plans of Action

The Company will try its best to carry activities in the field of R & D for development of new products and improvements in the existing manufacturing process for better yield.

Expenditure on R & D (on standalone basis):

₹ In Million.

Particulars	2019-20	2018-19
Capital Expenditure	4.27	3.69
Recurring Expenditure	31.94	25.86
Total	36.21	29.55
Total R&D expenditure as a percentage of total turnover	**0.30%**	**0.22%**

Annexure 6 to the Directors' Report (Contd.)

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(a) Efforts in brief:

I. Company in order to fully utilise its multidimensional manufacturing capacity is always at the forefront to make the best use of its technical capability for better success.

II. Continuous endeavor to improve Product Quality & Process Yields.

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

The Company is able to market its value-added products in Domestic as well as International Market.

(c) Details relating to imported technology: Nil

FOREIGN EXCHANGE EARNING AND OUTGO

(₹ in Million)

Particulars	2019-20	2018-19
(a) Foreign Exchange Inflow		
(i) Foreign Exchange Earning F.O.B. Value of Export	4,657.17	5,790.60
(b) Foreign Exchange outgo		
(i) Value of imported Raw materials calculated on CIF basis.	1,106.56	1,092.87
(ii) Value of imported Other materials calculated on CIF basis	Nil	Nil
(iii) Value of imported Capital Goods calculated on CIF basis	Nil	0.72
(iv) Foreign Traveling Expenditure	3.752	3.64
(v) Export Sales Commission	73.91	58.12
(vi) Business Development Expenses	0.537	1.578
(vii) Interest	40.775	32.29
(viii) Bank Charges	6.216	7.05
(xi) Cash Discount	0.161	Nil
(xii) Repairs to machinery	1.505	Nil
(xiii) Other Selling Expense	1.337	0.43
(xiv) Legal & Professional Fees	0.639	2.11

Annexure 7 to the Directors' Report

Corporate Social Responsibility Report

Pursuant to section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

Corporate Social Responsibility (CSR) Report for 2019-20

Bodal Chemicals Ltd. (BCL) vision is to grow Globally and as responsible citizen also fulfill its duty towards society. The company's long-term CSR objective is "to improve the quality of life of the communities to whom we serve & attach"

Focused Geographic Spread

BCL's focused area for developmental activities will be urban as well as rural areas in the states in which it is located.

The company may also support initiatives in other geographies, as approved by the CSR committee of the board, from time to time.

CSR Focused Area

BCL's CSR is aligned with the BCL's corporate policy and will focus on five thrust areas – Environment, Education, Health Care, Livelihood, and Rural & Urban infrastructure. Besides, it will also undertake interventions in the area of Sports, Disaster Relief, and Ethnicity etc. all aimed at improving the quality of life of the communities.

Approach:

The company's CSR approach would be around following guiding principal.

Impact	**Partnership**	**Affirmative Action**
Volunteerism	**Communication**	**Innovation**

The company follows Ackerman's Model for CSR. This model defines CSR in three different phase.

First Phase : Top management recognise social problem.

Second Phase : The Company appoints staff specialist to look into the issue and find measures to tackle it.

Third Phase : Implementation of the strategy derived

Delivery Mechanism

Whilst a large part of the CSR efforts of BCL will be implemented by an in-house department, in some of the projects company is also partner with the credible organisation to design, fund allocation, implement and review projects. Partner agencies will be selected based on the well-defined selection criteria.

Guiding Principle for CSR:

Impact	All CSR initiatives will have well defined KPIs, to measure impacts on target groups.
Partnership	The company will forge collaborations with NGOs or Organisations those have expertise to implement the projects related to CSR.
Affirmative Actions	The company will design targeted interventions for the specific group to promote Education, Employability, and Entrepreneurship.
Volunteerism	BCL is providing opportunity to their employees, their families, and BCL ecosystem to engage in volunteering activities that will benefit to the community in which they live and work.
Communication	It is very important principle, the company have two-way communication channel, where we communicate with community people to understand their needs, expectations and aspirations can be mapped and their satisfaction can be obtained.
Innovation	BCL will endeavour to develop innovative solution to solve seemingly intractable social problem.

Annexure 7 to the Directors' Report (Contd.)

CSR for the year 2019-20

During the year under review, we utilise our CSR fund under the different sector like Education, Environment, Social Development of Community, and support in the Research and Development, for achieving overall objective of CSR.

This year, 2019-20 we are majorly focus to do CSR activity by our own, direct route for ensuring appropriate use of our CSR fund.

We have spent CSR fund for the year 2019-20 for enhancing the infrastructure for educational institutes, Rural Infrastructure Development, in Research & Development institutes, in Government organisations, Sports Council of India, in Armed Force Department etc. for achieving our overall objective.

To enhance rural infrastructure and environment, we work with village people to make clean village, we have done cleaning of roads, wastewater savage and other areas where cleaning is required in entire village.

Also, our senior team members actively participate along with volunteers for this development and also they impart lectures to students on educational and motivational topics. Team CSR regularly visits these schools and monitor entire development project for the right implementation.

CSR FOR 2019-2020		
1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company intends to make a positive difference to society and contribute its share towards the social cause of betterment of Society and area in which companies operates. The Company aims to create educated, healthy, sustainable and culturally vibrant communities. We also contribute as a company to various charitable causes and we seek to participate in ways that touch people's lives in these communities. The Company has framed a CSR Policy in compliance with the provisions of the Act, which is available on the Company's website - www.bodal.com and its weblink - https://bodal.com/live.php?data=6_l2
2	Last reconstitution of CSR Committee	Your Board reconstituted CSR committee on 29th December 2018 due to resignation of Mr. Bipin R Patel, Independent Director of the company w.e.f. 25-10-2018 **Composition of CSR Committee as below:** 1) Mr. Suresh J. Patel - Chairman 2) Mr. Ankit S. Patel- Member 3) Mr. Sunil K. Mehta- Member
3	Average net profit of the Company for last three financial year	₹ 2,03,10,96,670.89
4	Prescribed CSR Expenditure (Two per cent of the amount as in item 3 above)	₹ 4,06,21,933.4178
5	Carry forward unspent amount from last year	NIL
Details of CSR spent during the financial year 2019-20		
	a. Total amount to be spent for the financial year	₹ 4,06,21,933.4178
	b. Total amount spent during financial year	₹ 1,45,89,246
	c. Amount Unspent, if any	₹ 2,60,32,687
	d. Excess amount spent	NIL

Annexure 7 to the Directors' Report (Contd.)

6	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	Company has planned to give amounts to the hospitals and others at end of year but due to the lockdown announced by Guj Govt w.e.f 22-03-2020, company is not able to spent full amount.
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.	The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

Areas of Interest:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
2. Promoting education, employment enhancing vocation skills and the differently abled and livelihood enhancement projects.
3. Promoting gender equality, empowering women by setting up homes and hostels, setting up old age homes and orphanage house, day care centers and other facilities for senior citizens.
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil or air and water including contribution to the clean Ganga set-up by the the Central Government for rejuvenation of river Ganga.
5. Promotion and protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries.
6. Measure for the benefit of armed forces veterans, war widows and their dependents.
7. Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports.
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief fund and welfare of the schedule castes, the scheduled tribes, other backward classes, minorities and women.

   [Contribution to any fund set up by Central Government means it does not include the fund set up by State Government or any local Government.
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
10. Rural development projects.
11. Slum area development.
12. Disaster Management, Including relief, rehabilitation and reconstruction Activities.

Annexure 7 to the Directors' Report (Contd.)

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

CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amt in ₹)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in ₹)	Cumulative expenditure upto the reporting period (Amt in ₹)	Amount spent: Direct or through implementing agency* (Amt in ₹)	Contribution through Direct or Agency Through
Being amount paid to **"Shree Goverdhan Gaurakshak Jivdaya Gaushala"**	Animal Welfare	Dudhwada Padra Vadodara	1,500.00	1,500.00	1,500.00	1,500.00	Direct by the Company
Being amount paid to **"Manav Kalyan Seva Trust"**	Social welfare Social Activities	Vadodara	1,100.00	1,100.00	1,100.00	1,100.00	Direct by the Company
Being amount paid to **"The Gujarat Research and Medical Institute"**	Promotion of Science and Technology	Ahmedabad	70,000.00	70,000.00	70,000.00	70,000.00	Direct by the Company
Being amount paid to **"Sardar Kal-prath"**	Education purpose		3,00,000.00	3,00,000.00	3,00,000.00	3,00,000.00	Direct by the Company
Being amount paid to **"Sardardham"**	Promotion of Education and Health facility. Promotion of Economic, Social, Rural, Entrepreneur Developments and Community transformation	Ahmedabad	50,00,000.00	50,00,000.00	50,00,000.00	50,00,000.00	Direct by the Company
Being amount paid to **ALL IN DEVELOPMENTS (AID)** towards support for 8th Annual event " GREENATHON-2019", A walk for Green Clean and Healthy Bardodaon the occasion of World Environment day	Protection of Environment and health	Kamati baug, Vadodara	75,000.00	75,000.00	75,000.00	75,000.00	Direct by the Company
Being amountt paid to **"Shivshakti Charitable Trust"**	Promotion of Education	Karakhadi Padra Vadodara	15,130.00	15,130.00	15,130.00	15,130.00	Direct by the Company
Being amount paid to **"Parul University"** towards admission/ Tution Fees and other fees for Patel Harshilkumar Kanubhai (Student of 1st year B. Pharma)	promotion of Education	Tal. wagodia Dist. Vadodara Gujarat	1,12,500.00	1,12,500.00	1,12,500.00	1,12,500.00	Direct by the Company

Annexure 7 to the Directors' Report (Contd.)

CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amt in ₹)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in ₹)	Cumulative expenditure upto the reporting period (Amt in ₹)	Amount spent: Direct or through implementing agency* (Amt in ₹)	Contribution through Direct or Agency Through
Being amount paid to **"Neotech Institute of Technology"** towards admission fees/Tution Fees for Jeetkumar narendrabhai Patel (Pursuing B.E. Course in Computer Engineering)	Promotion of Education	Virod VadodaraGujarat	49,500.00	49,500.00	49,500.00	49,500.00	Direct by the Company
Being amount paid to Shyam Theli Bhandar towards purchase of School bags, Uniforms and other accessories to distributes to students at Ekalbara Primary and Secondary School	Promotion of Education	Ekalabara Vadodara	20,520.00	20,520.00	20,520.00	20,520.00	Direct by the Company
Being amount paid to " Anjani School" towards admission fees for Makvana Sachin Maheshbhai (Student of 10th std)	Promotion of Education	Muval Dist. Padra Vadodara	20,000.00	20,000.00	20,000.00	20,000.00	Direct by the Company
Being amount paid to **"Shayona Vidhyalay"** towards admission fees for Parmar Tanvi Ganshyambhai (senior K G)	Promotion of Education	Karkhadi Padra Vadodara	15,130.00	15,130.00	15,130.00	15,130.00	Direct by the Company
Being amount paid to **Shiv Shakti Earth Movers** and **Shakti Motor Rewinding** in behalf of Kareli Gan Panchayat	Social Economic Development	Kareli Village Gujarat	1,21,228.00	1,21,228.00	1,21,228.00	1,21,228.00	Direct by the Company
Being amount paid to **"Gujarat CSR Authority" GCSRA** for KHOJ Museum-Riverfont	Promotion of Education/ Social Arts and Innova-tion	Ahmedabad Gujarat	4,00,000.00	4,00,000.00	4,00,000.00	4,00,000.00	Direct by the Company
Being amount paid to **"Krunal Food"** on belahf of Dudhawada Gram Panchayat	Provide Mid day meal to Schools at Dudhwada	Dudhwada Padra Vadodara	2,75,360.00	2,75,360.00	2,75,360.00	2,75,360.00	Direct by the Company
Being amount paid to **"Yogi Divine Socie-ty"** doing Social activity for Aadivasi peoples	Social Activities, Programmes	Dahod Panchmahal Narmada	3,00,000.00	3,00,000.00	3,00,000.00	3,00,000.00	Direct by the Company

Annexure 7 to the Directors' Report (Contd.)

CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amt in ₹)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in ₹)	Cumulative expenditure upto the reporting period (Amt in ₹)	Amount spent: Direct or through implementing agency* (Amt in ₹)	Contribution through Direct or Agency Through
Being amount paid to **"Manav Seva Trust"** towards Corporate Social responsibility Activities	Social Activities, eradicating hunger and poverty	Ahmedabad	25,000.00	25,000.00	25,000.00	25,000.00	Direct by the Company
Being amount Paid to **"Sarodvala Foot-wear"** towards pay-ment for Purchase of Shoes, contribute to students at Prathmik Kumar School	Promote Education	VedajJambusarGujarat	58,800.00	58,800.00	58,800.00	58,800.00	Direct by the Company
Being amount paid to **"Shah Vadilal Jagjivandas"** towards payment for Purchase of School Uniforms, Contribute to Students at Prathmik Kumar School	Promote Education	Vedaj Jambusar Gujarat	1,84,800.00	1,84,800.00	1,84,800.00	1,84,800.00	Direct by the Company
Being amount paid to **"Shree Leuva Patel Pragati Mandal"** towards provide facility of E-Library for Cilvil service Students	Promote Education	Ahmedabad	5,00,000.00	5,00,000.00	5,00,000.00	5,00,000.00	Direct by the Company
Being amount paid to **"Nandani Trust"** towards "RM Runners for the cause of "Save Yuth Save Nation", activity fall under Cor-porate Social Respon-sibility (CSR)	Social Activities, Programme	Ahmedabad	50,000.00	50,000.00	50,000.00	50,000.00	Direct by the Company
Being amount paid to **"Aarpi Science School"** towards education fees for Padhiyar Nileshbhai Narsinhbhai fro the Academic year 2019-20 for 12th Std	Promotopn of Education	Padra Vadodara	52,600.00	52,600.00	52,600.00	52,600.00	Direct by the Company
Being amount paid to **YUVA UNSTOPABLE** for Different CSR Activi-ties	Promotion of different CSR Activities- For promotion of education infra-structure at Kareli and Chitral School -Project activity is going on	Ahmedbad	7,72,100.00	7,72,100.00	7,72,100.00	7,72,100.00	Direct by the Company

Annexure 7 to the Directors' Report (Contd.)

CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amt in ₹)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in ₹)	Cumulative expenditure upto the reporting period (Amt in ₹)	Amount spent: Direct or through implementing agency* (Amt in ₹)	Contribution through Direct or Agency Through
Being amount paid to **"Reva Consulatncy"** Towards Technical Fees and Cost of project of Water Harvesting, Material, Labors and instruments/Machinery Costs	Providing Drinking Water	Padra Vadodara	51,44,818.40	51,44,818.40	51,44,818.40	51,44,818.40	Direct by the Company
Being Amount Paid to **"Shraddha Hospi-tal"** towards payments of Hospility Bills for many Patients.	Social Activities	Borsad Anand Gujarat	7,21,993.00	7,21,993.00	7,21,993.00	7,21,993.00	Direct by the Company
Being amount paid to **"Shrimad Rajchan-dra ATMA TATVA Research Centre"** towards CSR	Promotion of Health, Educations at Tribal Area for Tribal Womens and Childrens		1,25,000.00	1,25,000.00	1,25,000.00	1,25,000.00	Direct by the Company
Being amount paid to Mukesh Sports for Purchase of Trophys as part of Promote Educa-tion at Navyug School	Promotion of Education	jambusar-Alkapuri Vadodara Gujarat	12,167.00	12,167.00	12,167.00	12,167.00	Direct by the Company
Being amount paid for **"All Gujarat Sports Council of the Deaf"** towards spon-sorship of Sports events/Competition for handicapped Boys and Girls	Promotion of Sports Activities	New Delhi	1,25,000.00	1,25,000.00	1,25,000.00	1,25,000.00	Direct by the Company
Being amount paid to **"Jala Kelvani Seva Trust'**	Promotion of Education	Padra Vadodara Gujarat	40,000.00	40,000.00	40,000.00	40,000.00	Direct by the Company
Total CSR Spend during the 2019-2020 (01.04.2019 to 31.03.2020)			**14589246.4**	**14589246.4**	**14589246.4**	**14589246.4**	

For and on behalf of the Board of Directors of
Bodal Chemicals Ltd.

SURESH J. PATEL
Chairman & Managing Director
Chairman of CSR Committee
DIN : 00007400

Date: 6th July, 2020
Place: Ahmedabad

Annexure 8 to the Directors' Report

Form No. AOC-2

Particulars of Contracts/arrangements made with related parties

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

Forms for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

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

There were no contracts or arrangements or transactions entered in to during the year ended on 31st March 2020, which were not at arm's length basis.

B. Details of transactions at arm's length basis

There were no material transactions entered in to during the year ended on 31st March 2020 with the related parties of the Company. Further below mentioned transactions entered by the Company with related parties were at arm's length basis for the year ended 31st March 2020.

Sr. No	Particulars	Details	Details	Details	Details	Details
1.	**Name(s) of the related party and nature of relationship**	**Shanti Inorgo Chem (Guj.) Pvt. Ltd. Mr. Suresh J. Patel, Chairman and Managing Director is interested through his brother who is Director and member in Shanti Inorgo Chem (Guj.) Pvt. Ltd.**	**Shanti Inorgo Chem (Guj.) Pvt. Ltd. Mr. Suresh J. Patel, Chairman and Managing Director is interested through his brother who is Director and member in Shanti Inorgo Chem (Guj.) Pvt. Ltd.**	**Bodal Chemicals Trading Private Ltd. (w.e.f. 7th December, 2018) Wholly owned Subsidiary Company of Bodal Chemicals Ltd.**	**S P S Processors Pvt. Ltd. Subsidiary Company of Bodal Chemicals Ltd**	**Trion Chemicals Pvt. Ltd. Wholly Owned Subsidiary Company of Bodal Chemicals Ltd.**
1	Nature of con-tracts/ arrangements/ transactions	Sale and purchase	Taking of factory premises on lease basis.	Sale and pur-chase	Sale and purchase	Sale and purchase
2	Duration of the contracts / arrangements/ transactions	Repetitive during the year	Repetitive during the year	Repetitive dur-ing the year	Repetitive during the year	Repetitive during the year
3	Salient terms of the contracts or arrangements or transactions in-cluding the value, if any	₹ 48.18 Million	₹ 0.60 Million	₹ 66.36 Million	₹ 125.69 Million	₹ 0.75 Mil-lion
4	Date(s) of ap-proval by the Board	28th May, 2014	28th May, 2014	06th February 2019	20th March, 2017	26th May, 2016
5	Amount paid as advances, if any :	--	--	--	--	--

Annexure 8 to the Directors' Report (Contd.)

Sr. No	Particulars	Details	Details	Details
1	Name(s) of the related party and nature of relationship	Bodal Chemicals Trading (Shijiazhuang) Co., Ltd. (w.e.f. 3rd January, 2019) Wholly owned Subsidiary Company of Bodal Chemicals Ltd	SENER BOYA KIMYA TEKSTIL SANAYI VE TICARETANONIM SIRKETI (Subsidiary Company of Bodal Chemical s Ltd)	Bodal Bangla Ltd (w.e.f. 22-09-2019 Wholly Owned Subsidiary of Bodal Chemicals Ltd)
2	Nature of con-tracts/ arrangements/transactions	Sale and Purchase	Sale and Purchase	Sale and Purchase
3	Duration of the contracts / arrangements/transactions	Repetitive During the year	Repetitive During the year	Repetitive During the year
4	Salient terms of the contracts or arrangements or transactions includ-ing the value, if any	₹ 48.58 Million	₹ 395.07 Million	-
5	Date(s) of approval by the Board	21st May, 2019	12th February, 2020	12th February, 2020
6	Amount paid as advances, if any :	-	-	-

For and on behalf of the Board of Directors of
Bodal Chemicals Ltd.

SURESH J. PATEL
Chairman & Managing Director
DIN : 00007400

Date: 6th July, 2020
Place: Ahmedabad

Report on Corporate Governance

Pursuant to Regulation 34 read with Schedule V and Regulation 17 to 27 and 46 of SEBI (LODR) Regulations 2015 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is as follows:

COMPANY PHILOSPHY ON CORPORATE GOVERNANCE:

Your Company appreciates the noble idea of Corporate Governance and endeavors not only to abide by and comply with, the stipulated requirements related thereto, both in its word and spirit, but has also voluntarily contemplated to establish and maintain Good Corporate Governance standards and mechanism in conformity with the contemporary national and international practices on various relevant matters including prompt dissemination of information and expeditious redress of grievances of investors and public in general.

The policies and practice of Corporate Governance of the Company are inspired by following philosophy and principles with an earnest attempt to accomplish the same:

(a) Transparency:

To maintain in all aspects, high standards of transparency, in our interactions and dealings.

(b) Disclosures:

To ensure timely dissemination of all price sensitive information and matters of importance to protect the interest of investors.

(c) Accountability:

To demonstrate highest levels of personal responsibility and continually affirm that employees are responsible to themselves for the pursuit of excellence.

(d) Compliances:

To comply with all the laws and regulations as applicable to the Company.

(e) Ethical conduct:

To conduct in an ethical manner, the affairs of the Company.

(f) Stakeholders' interest:

To promote the interests of all stakeholders including of customers, shareholders, employees, vendors, governments and the community.

The Company's philosophy of Code of Corporate Governance is aimed at assisting the top management in the efficient conduct of its business and fulfilling its obligations towards the Government, its shareholders, employees and other stakeholders.

Your Board believes that Corporate Governance is a powerful medium of sub-serving the long-term interests of its stakeholders for the attainment of transparency, accountability and equity in all facets of its operations by enhancing and sustaining its corporate value through growth and innovation.

The Company has established systems, policies and actions which are fully compliant with the requirements stipulated by the Securities and Exchange Board of India ("SEBI") from time to time under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These systems, policies and actions of the Company are designed to further the objectives of Good Corporate Governance of the Company, thereby enhancing its performance and increasing stakeholder's value.

This report sets out the compliance status of the Company during the Financial Year 2019-20 with respect to the conditions of corporate governance.

Board of Directors:

a. Composition of the Board

The Company's board consists of 7 (seven) Directors as on 31/03/2020. Out of 7 Directors, 4 Directors are Independent Directors including one (1) woman Director. The Chairman of the Board is an Executive Director. The Profile of the Directors can be found on website of the Company: www.bodal.com. The Composition of Board is in conformity with Regulation 17 of the SEBI Listing Regulation read with Section 149 of the Act.

Further after end of the Financial Year 2019-20, Company has appointed Mr. Rajarshi Ghosh as Director-HSE w.e.f. 27-05-2020

Report on Corporate Governance (Contd.)

The Composition of Board is as follows:

Promoter-Promoter Group Director	Executive Director	Independent Director
Mr. Suresh J. Patel (DIN:00007400) Promoter Chairman & Managing Director Mr. Bhavin S. Patel (DIN:00030464) (Promoter Group) Executive Director Mr. Ankit S. Patel (DIN:02173231) (Promoter Group) Executive Director	Mr. Kishorkumar Radadia@@@ (DIN: 08532580) Mr. Rajarshi Ghosh @@@@ (DIN: 08715159)	Mr. Nalin Kumar (DIN: 03060741) Mr. Sunil K Mehta (DIN:01736527) Mrs. Neha Huddar (DIN:00092245) Dr. Parin D Shah@@ (DIN:08313035) Mr. Ram Parasad Srivastava @ (DIN: 02227457)

@During the Financial year 2019-20, Board of Director in their Board Meeting held on 13-08-2019 has appointed Mr. Ram Parasad Srivastava (DIN: 02227457) as an Additional cum Independent Director of the Company for the term of 5years w.e.f.13-08-2019 and regularised from 20-09-2019, by passing Special Resolution in Annual General Meeting.

@@During the Financial year 2019-20, Dr. Parin Shah has resigned from the Board and from all Committees in which he was member/Chairman w.e.f 05-07-2019 due to coming across the opportunity (job) in government Sector and as per terms and Conditions to service of Government, he is restricted to continue as Director or associate with the any Organisation/ Companies (either in Executive or Non Executive basis). Further, Dr. Parin D Shah, Independent Director of the Company make confirmation in his resignation that there is no such other material reason apart from above for his resignation.

@@@During the Financial year 2019-20, Board of Director in their meeting held on 13-08-2019 has appointed Mr. Kishorkumar P Radadia (DIN: 08532580) as an Director-HSE of the Company for the term of 5years w.e.f. 01-09-2019 and regularised him in Annual General Meeting held on 20-09-2019.

Further, Mr. Kishorkumar P Radadia (DIN: 08532580) resigned from the post of Director-HSE of the Company w.e.f. 29/2/2020 and the Board of Directors took note of the same at the Board Meeting held on 12/02/2020.

Further, Mr. Kishorkumar P Radadia (DIN: 08532580) Director-HSE resigned as Director-HSE of the Company due to his health issue. Further Mr. Kishorkumar P Radadia has provided confirmation that there are no such material reasons other than those provided in his resignation letter.

@@@@ After Completion of the Financial year 2019-20, Board of Directors in their meeting held on 27/05/2020 has Appointed Mr. Rajarshi Gosh (DIN: 08715159) as an Director-HSE of the Company for the term 5 years subject to approval of Members of the Company.

Notes:

1. None of the Independent Directors of the Company had any material pecuniary relationship or transactions with the Company, it's promoter, its management during the Financial year 2019-20, which may affect independence of the Independent Directors.
2. None of the Directors on the Board hold directorship in more than ten public Companies. None of the Independent Directors serve as an Independent director in more than Seven Listed Entities. Necessary Disclosures regarding Committee positions in other public Companies as on 31st March 2020 have been made by the Directors.
3. All Directors mentioned above as Independent Directors, they fall within the expression of "Independent Directors" as mentioned in regulation 16(b) of the SEBI (Listing Obligation and Disclosure) Regulations, 2015.
4. The Independent Directors of the Company fully meet the requirements laid down under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. The Company has received a declaration from each of the Independent

Report on Corporate Governance (Contd.)

Directors confirming compliance with the criteria of Independence as laid down under this regulation as well as Section 149(6) of the Companies Act, 2013.

5. In terms of Regulation 25(8) of SEBI LODR Listing Regulations, All Independent Directors have Confirmed that they are not aware of any circumstances or Situation which exists or may be reasonably anticipated that could Impair or Impact their ability to discharge their duties.

6. In accordance with the erstwhile Clause 49 of the Listing agreement, the Company has issued formal Letter of Appointment to all the Independent Directors. The terms and Conditions of their appointment have also been disclosed on the website of the Company. www.bodal.com

b. Board Meeting and Agenda:

The Board generally meets once in a quarter to review the Quarterly/Half Yearly/Annual performance and financial result of the Company. The Compliance Reports in respect of applicable laws are placed before the Board periodically. Agenda papers containing the necessary information/ documents are made available to the Board to discharge its responsibility effectively and take effective decisions. In addition to the information required under Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, which is required to be placed before the Board, the Directors are also kept informed of major events and approvals obtained, if necessary.

The Company Secretary, while preparing the Agenda, Notes to Agenda and Minutes of the Meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including Companies Act, 2013 read with rules issued thereunder, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India (ICSI). Draft Minutes are circulated to the Board/Committee Board Members for their comments. The Minutes are entered in the Minutes Book within 30 days from the Conclusion of the meeting. The Company Secretary attends and acts to as secretary of all the Meetings of the Board and its Committees.

Video conferencing facility is not used during the year Completed but if required, Company will use to facilitate Directors travelling/residing abroad or at other locations to participate in the meetings.

During the year, Information as mentioned in Part A of Schedule II of SEBI Listing Regulations, has been placed before the Board for its Consideration.

During the year, one meeting of Independent Directors was held on 12-02-2020. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, board as whole and Chairman of the Company taking into account the views of the Executive Directors of the Company.

The Board periodically reviews the Compliance reports of all laws applicable to the Company.

Attendance record of Board meetings:

During the Financial year, 2019-20, 5(Five) Board meeting were held on 21/05/2019, 12/07/2019, 13/08/2019, 14/11/2019 and 12/02/2020. The time gap between two Board Meetings was less than 120 days.

During the Financial year, 2019-20, Due to Urgency of Business/Internal Matters of the Company Board Members have been passed resolutions through Circulation dated 09/10/2019. Further, Board has been considered and took note of the resolution passed through Circulation at the succeeding Board Meeting of the Company dated 14/11/2019.

Details regarding attendance of Board Meeting held during Financial year 2019-20 and the Last Annual General Meeting held on the 20th September 2019.

Report on Corporate Governance (Contd.)

Name of the Member	Category	Attendance at the Meeting held on						Attendance at the Last AGM
		21/05/2019	12/07/2019	13/08/2019	14/11/2019	12/02/2020	No. of Meetings Attended	
Mr. Suresh J. Patel	**MD & CEO**	✓	✓	✓	✓	✓	05	Yes
Mr. Bhavin S. Patel	**ED**	✓	✓	✓	✓	LOA	04	Yes
Mr. Ankit S. Patel	**ED**	✓	✓	✓	✓	LOA	04	Yes
Mr. Sunil K. Mehta	**ID**	LOA	✓	✓	✓	✓	04	Yes
Mrs. Neha Huddar	**ID**	✓	✓	✓	✓	✓	05	Yes
Mr. Nalin Kumar	**ID**	✓	✓	✓	✓	✓	05	Yes
Dr. Parin D Shah	**ID**	✓	Resigned w.e.f. 05-07-2019				01	N.A.
Mr. Ram Parasad Srivastava	**ID**	Appointed as ID w.e.f. 13-08-2019			✓	✓	02	Yes
Mr. Kishorkumar Radadia	**ED**	Appointed as Director HSE w.e.f. 01-09-2019			✓	✓	02	Yes

ID - Independent Director; MD & CEO - Managing Director & Chief Executive Officer; ED – Executive Director; LOA – Leave of Absence

Details regarding Directorship(s) and Committee Membership(s) in Other Listed Companies:

Name of Director	Designation	Directorship in other companies *		No of Committee position held in other Companies*		Directorship in other listed entity- Category of Directorship
		Chairman	Member	As Chairman	As Member	
Mr. Suresh J. Patel- DIN: 00007400	Chairman and MD	-	-	-	-	-
Mr. Bhavin S. Patel- DIN: 00030464	Executive Director	-	-	-	-	-
Mr. Ankit S. Patel- DIN: 02173231	Executive Director	-	-	-	-	-
Mr. Sunil K Mehta- DIN: 01736527	Independent Director	-	-	-	-	-
Mr. Nalin Kumar- DIN: 03060741	Independent Director	-	-	-	-	-
Mrs. Neha S. Huddar- DIN: 00092245	Independent Director	-	01	-	01	Mitsu Chem Plast Limited- (Independent Director)
Mr. Ram Parasad Srivastava- DIN: 02227457	Independent Director	-	-	-	-	-
Mr. Kishorkumar P Radadia**- DIN: 08532580	Director-HSE	-	-	-	-	-

Report on Corporate Governance (Contd.)

The Directorships/Committee Memberships are based on the latest disclosures received by the Company

Notes:

*Other Directorship do not include directorship of private Limited companies, foreign companies and companies registered under Section 8 of the Act, Further, None of them is a member of more than ten Committees or Chairman of five Committees across all the public companies in which he/she is Director. For the purpose of determination of limits of the Board Committees, Chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been Considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

In Bodal, the Board has constituted Six Standing Committees, namely Audit Committee, Share Transfer Committee, Stakeholders' Relationship Committee/Investor Grievance Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Management Committee.

In additional to above, The Board has Constituted Warrant Committee to Issue and allot Convertible Equity Warrants to Promoter-Promoter group and Non Promoter on a preferential basis.

The Board constitutes additional functional committees, from time to time, depending on the business needs.

**Mr. Kishorkumar P Radadia has resigned from the board w.e.f 29/02/2020

The details of sitting fees, commission and remuneration paid to each director appear later under the disclosure relating to Remuneration to Directors.

C. Details of Share Holdings of Executive and Non-Executive Directors as on 31st March 2020:

Sr. NO	Name of Director With Designation	Status/Category	Relationship between Directors	No. of Share Held as on 31/03/2020	% holding as on 31/03/2020
1	Mr. Suresh J. Patel Chairman & M. D.	Promoter Executive Director	Mr. Bhavin S Patel, Executive Director and Mr. Ankit S Patel, Executive Director are sons of Mr. Suresh J Patel (Chairman and MD)	3,71,12,857	30.34%
2	Mr. Bhavin S. Patel Executive Director	Promoter group Executive Director	Mr. Suresh J Patel (Chairman and MD) is father and Mr. Ankit S Patel, Executive Director is brother of Mr. Bhavin S Patel (Executive Director)	1,04,96,342	8.58%
3	Mr. Ankit S. Patel Executive Director	Promoter group	Mr. Suresh J Patel (Chairman and MD) is father and Mr. Bhavin S Patel, Executive Director is brother of Mr. Ankit S Patel (Executive Director)	72,61,072	5.94%
4	Mr. Sunil K Mehta Independent Director	Independent Director/ Non-Executive Director		2,00,000	0.16
5	Mr. Nalin Kumar Independent Director	Independent Director/ Non-Executive Director		NIL	NIL
6	Mrs. Neha Huddar Independent Director	Independent Director/ Non-Executive Director		1000	0.00
7	Dr. Parin D Shah	Independent Director/ Non-Executive Director (resigned from the Board w.e.f. 05/07/2019)		NIL	NIL
8	Mr. Ram Parasad Srivastava	Independent Director/ Non-Executive Director		NIL	NIL
9	Mr. Kishorkumar Radadia	Director-HSE (resigned from the Board w.e.f. 29/02/2020)		NIL	NIL

Report on Corporate Governance (Contd.)

During the year, Company has issued Convertible Equity Warrants to Promoter and Promoter Group and Non- Promoter of the Company on preferential Basis. Details of promoters/promoter Group are as follow:

Sr. No	Name of person	Category of person	Number of Issue Convertible Equity Warrants
1	Mr. Suresh J Patel- Chairman and MD	Promoter	75,00,000
2	Mr. Ankit S Patel- Executive Director	Promoter Group	25,00,000

d. Code of Conduct

The Company has adopted a revised/amend Code of Conduct for Directors and Senior Management of the Company as per Regulation 17(5) of the SEBI (LODR) Regulations, 2015 and subsequent amendments as SEBI (LODR) Amendments Regulations, 2018. The Company has received confirmation from the Directors and Senior Management regarding compliance with the code for the financial year ended 31st March 2020. A declaration to this effect duly signed by CEO of the Company is attached herewith and forms a part of Corporate Governance Report. The code has been displayed on the Company's website www.bodal.com.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ENSUING ANNUAL GENERAL MEETING

The information as required by regulations 26 & 36(3) of the SEBI (LODR) regulation, 2015 with the stock exchange in relation to appointment/reappointment of Directors of the Company are as follows:

Name of the Director	Mr. Suresh J Patel- Chairman and MD	Mr. Ankit S Patel- Executive Director	Mr. Rajarshri Ghosh
DIN	00007400	02173231	08715159
Date of Birth	15/04/1956	01/11/1982	03/04/1973
Date of First Appointment	01/06/2005	24/02/2008	27/05/2020
Qualification	Bachelor of Science (B Sc)	Bachelor's in economics, MBA (Finance)	PG Diploma in Marketing Management with a certified degree in Fire Safety Engineering with an International Certificate in Safety.
Name of the Companies in which he is a Director other than Bodal Chemicals Ltd.*	- Novel Spent Acid Management - Bodal Chemicals Trading Private Limited	- YPO(Gujarat) - Bodal Chemicals Trading Pvt. Ltd.	-

Report on Corporate Governance (Contd.)

Specific Functional Areas/Experience	Mr. Suresh J Patel holds a Graduate degree in Science (B.Sc.), having experience of more than 30 years in the Chemicals Industry, Specifically in Manufacturing and sale of dyes and dyes intermediates.	Mr. Ankit S Patel holds a graduate degree in economics from university of Nevada and Master's degree in business administration from Devry University. He has been Significantly involved in the development of the sulphuric acid plant of our Company. He has been associated with Bodal Chemicals Ltd for 10 years. He heads basic chemicals division at our Company including production, marketing and new growth areas. He is leading the LABSA initiatives and upcoming basic chemicals projects of Bodal Chemicals Ltd.	Having More than 23 years of Progressive experience in Cross functional management and senior leadership roles. Well versed in EHSS (Environment, Health, Safety and Sustainability) Management, Principles of Risk Management Planning and implementation and Management System (ISO: 9001, ISO: 14001 & ISO 45001) auditing Skills. Strategic business change agent who has achieved broad based success to attain desired outcomes enhancing Operational and Process efficiencies aligning EHSS with the business objectives.
Chairmanship / Membership of Committee (s) of Board of Director of the Company.	Chairman of CSR (Corporate Social Responsibility) Committee, Share Transfer Committee, Management Committee and Warrant Committee.	Member in Share transfer Committee, Management Committee, and Corporate Social Responsibility Committee.	NIL
Chairman/Member of the Committee (s) of Board of Directors of other Public Limited Companies in which he is a Director	NIL	NIL	NIL
Shareholding in the Company as on 31/03/2020 & percentage of paid up capital	37112857 (30.34%)	7261072 (5.94%)	NIL

*This number of companies also includes the Directorship held in a Pvt. Ltd Companies; Foreign Companies and Company registered u/s 8 of Companies Act, 2013.

Report on Corporate Governance (Contd.)

COMMITTEE OF THE BOARD

Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee of the Company consists of three Directors. All the members of the Committee are financially literate. The Chairman of the Committee is Mr. Sunil K Mehta, Non-Executive Independent Director. The Other Members of the Committee are Mr. Nalin Kumar, Non-Executive Independent Director, Mrs. Neha S. Huddar, Non-Executive Independent Director and Mr. Bhavin S Patel, Executive Director.

Brief description of terms of reference:

The terms of reference of the Audit Committee cover the matters specified Under Regulation 18 read with Part C of Schedule II to the SEBI LODR and Section 177 of the Companies Act, 2013. The terms of reference for the Audit Committee are broadly as under:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management the annual financial statements and the auditor's report thereon, before submission to the Board for approval, with particular reference to:
   - Matters required to be included in Director's Responsibility Statement included in Board's report;
   - Changes, if any, in accounting policies and practices and reasons for the same;
   - Major accounting entries based on exercise of judgment by management;
   - Significant adjustments made in the financial statements arising out of audit findings;
   - Compliance with listing and other legal requirements relating to financial statements;
   - Disclosure of any related party transactions;
   - Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, statement of uses and application of funds raised through an issue, statement of funds utilised for other purposes and report of monitoring agency.
7. Review and monitor the auditors' independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

Report on Corporate Governance (Contd.)

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle-Blower mechanism.
19. Approval of appointment of Chief Financial Officer.
20. To review report submitted by Monitoring Agency informing material deviations in the utilisation of issue proceeds and to make necessary recommendations to the Board, if, when and where applicable.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

During the year under review, the Committee met 04 times on 21/05/2019, 13/08/2019, 14/11/2019 and 12/02/2020. Attendance of the Members at the meetings were as follows:

Name of Members	Category	Designation	Attendance at the Meetings held on				No. of Meetings Attended
			21/05/2019	13/08/2019	14/11/2019	12/02/2020	
Mr. Sunil K Mehta	Independent-Non Executive Director	Chairman	LOA	✓	✓	✓	03
Dr. Parin D Shah@	Independent-Non Executive Director	Member	✓	NA	NA	NA	01
Mr. Bhavin S Patel	Executive Director	Member	✓	✓	✓	LOA	03
Mr. Nalin Kumar	Independent-Non Executive Director	Member	✓	✓	✓	✓	04
Mrs. Neha S. Huddar@	Independent-Non Executive Director	Member	NA	✓	✓	✓	03

Notes:

@ Dr. Parin D. Shah has resigned as Independent Director and member of the committee of Board of Directors of the Company w.e.f. 05-07-2019. Further, Board Members reconstitute Audit Committee at their Board meeting held on 12th July 2019 in that Board Meeting, Mrs. Neha Huddar has been inducted as member of Audit Committee.

Four Meetings of the Audit Committee were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days.

Committee invites such of the Executives as it considers appropriate, representative of the Statutory Auditors and Internal Auditors to be present at Committee Meetings.

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

Quarterly Reports are sent to the members of the Committee on matters relating to the Insider trading Code.

The Previous AGM of the Company was held on 20th September 2019 and was attended by Mr. Sunil K Mehta, Chairman of the Audit Committee.

The Audit Committee has reviewed the Management Discussion and Analysis of financial condition and results of operations forming part of this Annual Report and other information.

The following business was conducted during the year.

- Review of quarterly financial statements.
- Review of internal control systems with reference to the audits conducted by the internal auditors.
- Review of annual financial statements for the financial year 2018 -19.
- Review of related party disclosures by the Directors.
- Review of Business performance of the Company.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) of the Board consists of Independent Directors only.

During the year under review, the Committee met 04 times on 21/05/2019, 12/07/2019, 13/08/2019 and 12/02/2020. Details of Members of the Committee and attendance of the members at the meetings were as follows:

Report on Corporate Governance (Contd.)

During the Financial Year, 2019-20, Due to Urgency of Business/Internal Matters of the Company NRC Committee members have been passed resolutions through Circulation dated 09-10-2019. Further, Board members have been considered and took note of the resolution passed through Circulation at the succeeding Board Meeting of the Company dated 14-11-2019.

Name of Members	Category	Designation	Attendance at the Meetings held on				No. of Meetings Attended
			21/05/2019	12/07/2019	13/08/2019	12/02/2020	
Mr. Sunil K. Mehta	Independent-Non Executive Director	Chairman	LOA	✓	✓	✓	03
Dr. Parin D. Shah@	Independent-Non Executive Director	Member	✓	NA	NA	NA	01
Mr. Nalin Kumar	Independent-Non Executive Director	Member	✓	✓	✓	✓	04
Mrs. Neha S. Huddar	Independent-Non Executive Director	Member	NA	✓	✓	✓	03

Notes:

@ Dr. Parin D. Shah has resigned as Independent Director and member of the committee of Board of Directors of the Company w.e.f. 05-07-2019. Further, Board Members reconstitute Nomination and Remuneration Committee at their Board meeting held on 12th July 2019 in that meeting, Mrs. Neha Huddar has been inducted as member of Committee.

Mr. Ashutosh B. Bhatt is acting as Secretary to the NRC Committee.

All the members of the Nomination and Remuneration Committee are Non Executive Independent Directors.

The terms of reference of the Committee are in line with the requirements of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II to the SEBI LODR.

❖ **Terms of Reference**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees
- Formulation of criteria for evaluation of performance of Independent Directors and the Board
- Devising a policy on Board diversity
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal
- Whether to extend or continue the term of appointment of an Independent Director, on the+ basis of the report of performance evaluation of Independent Directors.
- Recommend to the board, all remuneration, in whatever from, payable to senior management.

Remuneration Policy:

The Remuneration Committee of the Board of Directors of the Company generally decides and makes recommendations to the Board of Directors about the remuneration to be paid to the Directors and other Key Managerial Persons of the Company. The remuneration of key Managerial Personnel is to be recommended by the NRC Committee to Board.

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No director/KMP/ other employee is involved in deciding his or her own remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks, which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.

Report on Corporate Governance (Contd.)

- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- **Following criteria are also to be Considered: -**
  - Responsibilities and duties;
  - Time & efforts devoted;
  - Value addition;
  - Profitability of the Company & growth of its business;
  - Analyzing each and every position and skills for fixing the remuneration yardstick;
  - Standards for certain functions where there is a scarcity of qualified resources.
  - Ensuring tax efficient remuneration structures.
  - Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
  - Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard to making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated/ disclosed adequately.

Remuneration paid to Executive Directors for the Financial Year 2019-20.

The remuneration paid to Executive Directors is recommended by NRC Committee and fixed by the Board of Directors and approved by the shareholders in general meetings. The remuneration paid to Executive Directors in pursuant to Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013. The details of remuneration paid to Executive Directors are as below:

(Amount in ₹)

Particulars	Mr. Suresh J. Patel Chairman & Managing Director	Mr. Bhavin S. Patel Executive Director	Mr. Ankit S. Patel Executive Director	Mr. Kishorkumar P Radadia Director-HSE@
Salary	1,62,00,000	1,08,00,000	1,08,00,000	16,62,677
Perquisites of Car	39,600	39,600	39,600	16,200
Leave Travel Allowance	NIL	NIL	NIL	NIL
Sitting Fees	NA	NA	NA	NA
Commission	3,84,00,000	2,75,00,000	2,75,00,000	NA
Total	**5,46,39,600**	**3,83,39,600**	**3,83,39,600**	**16,78,877**

Note: Mr. Kishorkumar P Radadia (DIN: 08532580) resigned from the post of Director-HSE of the Company w.e.f. 29/02/2020.

Sitting Fee paid to Non-Executive Directors for the Financial Year 2019-20.

(Amount in ₹)

Name of Non-Executive - Independent Director	Sitting Fees
Mr. Sunil K. Mehta	1,55,000.00
Mr. Nalin Kumar	1,80,000.00
Dr. Parin D Shah- Resigned w.e.f. 05/07/2019	25,000.00
Mrs. Neha Huddar	1,65,000.00
Mr. Ram Prasad Srivastava- Appointed w.e.f. 13/08/2019	50,000.00
Total	**5,75,000.00**

Report on Corporate Governance (Contd.)

There is no pecuniary relationship or transaction of the Company with any of the Non Executive Directors.

The Company has paid sitting fees to Non Executive Directors and no stock option is available to the Directors.

No remuneration or Commission is paid to the Non Executive Directors apart from sitting fees for attending the meeting of Board of Directors.

Stakeholders Relationship Committee:

In compliance with the provisions of section 178 of the Companies Act, 2013 and the Listing Regulation 20 of the Listing Regulations, the Board has formed a "Stakeholder's Grievance & Relationship Committee". The Stakeholder's Grievance & Relationship Committee as a Committee of the Board has been constituted mainly to focus on the redressal of Shareholders' and Investors' Grievances, if any, like transfer/transmission/ dematerialisation of shares, loss of share certificates, non-receipt of Annual Report, Dividend Warrants and various other grievances of many stakeholders.

❖ **Terms of Reference**

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

❖ **Composition, Meetings and attendance:**

During the year, 4 meetings were held on 21/05/2019, 13/08/2019, 14/11/2019 and 12/02/2020.

Name of Members	Category	Designation	Attendance at the Meetings held on				No of Meetings attended
			21/05/2019	13/08/2019	14/11/2019	12/02/2020	
Mr. Sunil K Mehta	Independent-Non Executive Director	Chairman	LOA	✓	✓	✓	03
Mr. Nalin Kumar	Independent-Non Executive Director	Member	NA	✓	✓	✓	03
Dr. Parin D Shah@	Independent-Non Executive Director	Member@	✓	NA	NA	NA	01
Mr. Bhavin S Patel	Executive Director	Member	✓	✓	✓	LOA	03

Notes:

@ Dr. Parin D. Shah has resigned as Independent Director and member of the committee of Board of Directors of the Company w.e.f. 05-07-2019. Further, Board of Directors has reconstituted Committee at their Board meeting held on 12thJuly 2019 in that meeting, Mr. Nalin Kumar has been inducted as member of Committee.

Name, Designation, Address and Contact details of the Compliance Officer

Mr. Ashutosh B. Bhatt

Company Secretary & Compliance Officer

Bodal Chemicals Ltd

"BODAL CORPORATE HOUSE", Beside Maple Green Reasi., Nr. Shilaj Circle, Off. S P Ring Road, Thaltej, Ahmedabad-380059

Report on Corporate Governance (Contd.)

Tel. No. 079- 68160100

Email: secretarial@bodal.com

Details of Shareholders'/Investors' Complaints

Link Intime India Pvt. Ltd (RTA) the Company, and SCORES- the official website of SEBI received shareholders/investors complaints and they were resolved by the company/the RTA in consultation with the Company for the financial year 2019-20. The details are as follows:

Sr. No.	Nature of Complaints	Opening Balance 01-04-2019	Received during the year	Redressed/ attended	Pending as on 31/03/2020
1	Non receipt of share certificates after transfer etc.	NIL	NIL	NIL	NIL
2	Non receipt of Dividend Warrants	NIL	NIL	NIL	NIL
3	Query regarding demat credit	NIL	NIL	NIL	NIL
4	Non receipt of duplicate share certificates after issue	NIL	NIL	NIL	NIL
5	Others Received from SEBI	NIL	02	02	NIL
Total		**NIL**	**02**	**02**	**NIL**

❖ **Prohibition of Insider Trading**

The Company in their meeting held on 06th February 2019 adopted revise code of practice and Procedures and code of conduct to regulate, Monitor and Report Trading in Securities by designated persons and relative of designated persons in compliance with SEBI (Prohibition of Insider Trading) (Amendments), Regulations, 2018 and Code of Practices and Procedures for fair Disclosures of Unpublished Price Sensitive Information in compliance with SEBI (Prohibition of Insider Trading) (Amendments), Regulations, 2018

SHARE TRANSFER COMMITTEE

The members of Share Transfer Committee are as below:

❖ **Composition**

Name of Members	Status	
	Category	Designation
Mr. Suresh J. Patel	Chairman & Managing Director	Chairman
Mr. Bhavin S. Patel	Executive Director	Member
Mr. Ankit S. Patel	Executive Director	Member

The role, terms of reference, authority and powers of the Share Transfer Committee are in conformity with the provisions of the Companies Act, 2013.

MANAGEMENT COMMITTEE

❖ **Composition**

Name of Members	Status	
	Category	Designation
Mr. Suresh J. Patel	Chairman & Managing Director	Chairman
Mr. Bhavin S. Patel	Executive Director	Member
Mr. Ankit S. Patel	Executive Director	Member

WARRANT COMMITTEE

❖ **Composition**

Name of Members	Status	
	Category	Designation
Mr. Suresh J. Patel	Chairman & Managing Director	Chairman
Mr. Bhavin S. Patel	Executive Director	Member
Mr. Sunil K. Mehta	Non-Executive Independent Director	Member

INDEPENDENT DIRECTORS MEETING

During the year under review, One meeting of Independent Directors of the Company without the presence of Non-Independent Directors and Members of Management was held on 12th February 2020 as required under Schedule IV of the Act (Code of Independent Directors) and Regulation 25(3) of the Listing Regulations. The meeting was attended by all the Independent Directors and Mr. Sunil K Mehta chaired the said meeting.

Report on Corporate Governance (Contd.)

The Independent Directors reviewed following matter in their Meeting:

I. Performance of Non Independent Directors and the Board as whole

II. Performance of Chairperson of the Board taking into account the view of Executives Director and Non- Executives Directors; and

III. Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board required to effectively and reasonably perform their duties and The Independent Directors have expressed satisfaction.

DIRECTORS' INDUCTION AND FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has a familiarisation programme for its Independent Directors. The objective of the programme is to familiarise the Independent Directors to enable them to understand the Company, its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. These include orientation programme upon induction of new Directors as well as other initiatives to update the Directors on a continuing basis. An induction kit is provided to new Directors which includes the annual report, overview of the Company and its operating subsidiaries, Investor/ Earning Presentation, highlights of the major events, projects of the Company, Code of Conduct for Non-Executive Directors including Independent Directors, Company's Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices, etc.

Pursuant to Regulation 25(7) of the Listing Regulations, the Company imparted various familiarisation programmes to its Directors including review of long-term strategy, industry outlook, regulatory updates at the Board and Audit Committee Meetings, Corporate Social Responsibility, Data Analytics, Tax and Litigation updates. Besides the above, Investor/Earning presentation on of the Company are made at their respective Board Meetings and Committees where some of the Independent Directors are also members.

A detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration and performance evaluation process, Code of Conduct and obligations on disclosures, is issued for the acceptance of the Independent Directors.

The inductee has been introduced with the Key Managerial Personnel of the Company. A visit to the Company's Plants was arranged.

Detailed of Familiarisation program is also available on website of the Company **www.bodal.com**

MATRIX SETTING OUT SKILL BOARD OF DIRECTORS:

The list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board.

1	Technical skills- Chemical Industry	2	Business operation and management
3	Research and Development	4	Project Management
5	Risk management	6	Quality and Performance management
7	Board and Governance	8	Strategic planning
9	Global market awareness	10	Finance, Accounting, Auditing,
11	Indian Corporate Laws and Compliance Global Corporate Laws and Compliance	12	Safety management
13	Stakeholder Engagement	14	Merger and acquisitions
15	Government and Government/ industrial policy which in impact to Chemicals business sector	16	Market Awareness of Chemicals Product (Domestic as well as International) awareness of Demand, Supply and Price of Chemicals products
17	Business Ethics as well as Corporate Ethics	18	Human Resources Management and labour Relations/ Labour Laws

The current composition of the Board meets the requirements of skills, expertise and competencies as identified above.

Report on Corporate Governance (Contd.)

Name of Board Members and Designation	Mr. Suresh J Patel MD-CEO	Mr. Bhavin S Patel ED	Mr. Ankit S Patel ED	Mr. Rajarshi Ghosh ED	Mr. Sunil K Mehta ID	Mr. Nalin Kumar ID	Mrs. Neha Huddar ID	Mr Ram Prasad Srivastava ID
Technical skills- Chemical Industry	√	√	√	-	-	√	-	√
Business operation and management	√	√	√	√	√	-	√	√
Research and Development	√	√	-	-	-	-	-	-
Project Management	√	√	√	√	-	√	√	√
Risk management	√	√	√	√	-	√	√	-
Quality and Performance management	√	√	√	√	-	-	-	√
Board and Governance	√	√	√	√	√	√	√	√
Strategic planning	√	√	√	√	-	√	√	√
Global market awareness	√	√	√	√	-	-	-	√
Finance, Accounting, Auditing,	√	√	√	-	√	√	√	-
Indian Corporate Laws and Compliance Global Corporate Laws and Compliance	-	-	√	√	-	-	√	-
Safety management	√	√	-	√	-	-	-	√
Stakeholder Engagement	-	-	√	√	-	√	√	√
Merger and acquisitions	√	-	√	√	√	√	√	√
Government and Government/ industrial policy which in impact to Chemicals business sector	√	√	-	√	-	-	-	√
Market Awareness of Chemicals Product (Domestic as well as International) awareness of Demand, Supply and Price of Chemicals products	√	√	√	-	-	-	-	√
Business Ethics as well as Corporate Ethics	√	√	√	√	√	√	√	√
Human Resources Management and labor Relations/ Labor Laws	√	√	-	√	-	-	-	-

ID - Independent Director; MD & CEO - Managing Director & Chief Executive Officer; ED – Executive Director;

Corporate Social Responsibility (CSR) Committee:

In compliance with the provisions of section 135 of the Companies Act, 2013 the Board has formed a "Corporate Social Responsibly (CSR) Committee".

The CSR Committee has been entrusted with the specific responsibility of reviewing Corporate social responsibility programmes, health and safety framework and sustainable development. The overall roadmap, as well as specific issues of concern including those related to safety and climate change is reviewed in detail. The scope of the CSR Committee also includes approving the budget of CSR, reviewing the CSR programmes and monitoring the CSR spends.

Report on Corporate Governance (Contd.)

Composition and Attendance of the Meeting:

During the financial year, 4(Four) meetings were held on 21/05/2019, 13/08/2019, 14/11/2019 and 12/02/2020.

Name of Members	Status		Attendance at the Meetings held on				No of Meetings attended
	Category	Designation	21/05/2019	13/08/2019	14/11/2019	12/02/2020	
Mr. Suresh J. Patel	Chairman & Managing Director	Chairman	✓	✓	✓	✓	04
Mr. Ankit S. Patel	Executive Director	Member	✓	✓	✓	LOA	03
Mr. Sunil K Mehta	Independent-Non Executive Director	Member	LOA	✓	✓	✓	03

The Committee meets as and when required. The Committee inter alia devises/recommends to the Board, a CSR policy which indicates activities, projects or programs, to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. The Activities and programmes undertaken by the Company and the amount spent by the Company are given as part of Annexure to Directors Report. This Policy can be accessed from the Company's website-**www.bodal.com**

Risk Management Committee:

Regulation 21 of the Listing Regulations mandates top 500 listed entities based on market capitalisation as at the end of the immediate previous financial year to constitute the Risk Management Committee ('RMC') and pursuant to based on Market Capitalisation as at the end of immediate financial year to form a Risk management Committee is **not applicable** to the Company.

Business Responsibility Report Committee:

As per SEBI (Listing Obligation and Disclosures Requirements) Amendment Regulations, has mandated Top 1000 Companies as per market capitalisation that Annual Report shall contain Business Responsibility Report (BRR) describing the initiatives taken by the Company from a Environmental, Social and Governance perspective, in the format as specified by SEBI. Accordingly, the BRR containing the general information about the Company, financial details of the Company, other details like BR information, principle–wise performance etc. forms part of this Annual report.

The Board has appointed following Director/Directors responsible for applicability of BR Policies and BR Head for the Company :

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

   i. Name — Mr. Bhavin S. Patel

b. Details of the BR head

   i. Name — Mr. Ankit S. Patel

OTHER POLICIES MANDATED UNDER SEBI (LODR) REGULATIONS, 2015

❖ **Archival Policy**

In Compliance with Regulation 30(8) of SEBI (LODR) Regulations, 2015, the Company discloses on its website all such events, information which has been disclosed to the Stock Exchange(s) under Regulations 30. Such disclosures shall be posted on website of the Company for minimum five years and there after determine further action as per the archival policy of the Company. This policy can be accessed from the Company's website-www.bodal.com and its weblink- **https://bodal.com/live.php?data=6_12**

❖ **Policy for preservation of Documents**

In Compliance with Regulation 9 of SEBI (LODR) Regulations, 2015, The Board of Directors has adopted policy on preservation of Documents. This policy for preservation of Documents can be accessed from the Company's website-**www.bodal.com** and its weblink-**https://bodal.com/live.php?data=6_12**

❖ **Policy for Determining Materiality of Events**

In Compliance with Regulations 30 of SEBI (LODR) Regulations, 2015, the Board of Directors has adopted a policy on Determining Materiality of Events or Information. The objective of this policy is to ensure timely and adequate disclosure of events or information.

Report on Corporate Governance (Contd.)

This Policy can be accessed from the Company's website-**www.bodal.com** and its weblink- **https://bodal.com/live.php?data=6_12**

❖ **Policy for Determining Material Subsidiaries**

In compliance with requirement of Clause 49(V)(D) of the Listing Agreement. The Board of Directors adopted a policy on Determining Material Subsidiaries. This Policy is intended to ensure the governance of the Company's Material Subsidiaries. This Policy can be accessed from the Company's website-**www.bodal.com** and its weblink- **https://bodal.com/live.php?data=6_12**

❖ **Whistle Blower Policy**

The Company encourages an open door policy (called Whistle Blower Policy) where employees have access to the Head of the business /function. In terms of Company's Code of Conduct, any instance of non adherence to the code / any other observed unethical behavior are to be brought to the attention of the immediate reporting authority, who is required to report the same to the Compliance Officer of the Company or in exceptional circumstances to the Chairman of the Audit Committee. This Policy can be accessed from the Company's website-**www.bodal.com** and its weblink- **https://bodal.com/live.php?data=6_12**

❖ **Policy on Board Diversity**

The Company recognises and embraces the benefit of having a diverse Board of Directors and views increasing diversity at the Board level as an essential element in maintaining competitive advantage in the Business in which it operates. This Policy can be accessed from the Company's website-**www.bodal.com** and its weblink-**https://bodal.com/live.php?data=6_12**

❖ **Policy and procedures for inquiry in case of leak of Unpublished Price Sensitive Information**

In compliance with requirement of regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulations, 2015 The Board of Directors adopted a policy on procedure for Inquiry in case of leak of Unpublished Price Sensitive Information. This Policy can be accessed from the Company's website-**www.bodal.com** and its weblink-**https://bodal.com/live.php?data=6_12**

❖ **Policy on Preparing Workplace for fight against COVID-19 Epidemic:**

Pursuant to guideline issued by government for COVID-19 Pandemic, Company has adopted a policy on preparing workplace for fight against Corona Virus called COVID-19 Epidemic. This Policy is intended to make contribution towards fight against COVID-19.

Considering responsibility towards the all employee personnel of the Company, Company has prepared and implemented (WFH) work from home policy and take all preventive steps as guided by Central and state government and respective local authorities to safe and secure all employee force of the Company and its subsidiaries.

After relaxation, Company has resumed its Operations gradually only after following guideline given by Ministry of Home Affairs and by Government of Gujarat.

❖ **The Dividend Distribution Policy:**

As per Regulation 43A of the Listing Regulation, The top five hundred listed entities based on market capitalisation (calculated as on 31st March of every financial year) shall formulate a dividend distribution policy. Not Applicable

❖ **Statutory Auditor's remuneration:**

Disclosures of total fees for all services paid by the Company and its subsidiaries, on consolidated basis, to the Statutory Auditor and all entities in the network firm/ network entity of which the statutory auditor as required by the provisions of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 is ₹ 3.52 Millions.

Report on Corporate Governance (Contd.)

GENERAL BODY MEETINGS:

Details of the last three years Annual General Meetings (AGM) or Extra Ordinary General Meetings (EGM) are as under:

YEAR	DATE	TIME	VENUE
2016-17 AGM	23/09/2017	03.00 P.M.	Ahmedabad Management Association (AMA), ATIRA Campus, Dr. V.S. Marg, IIM-A Road, Vastrapur, Ahmedabad- 380015
2017-18 AGM	17/09/2018	11.00 A.M	ATMA, Auditorium, Opp. Old RBI Office Ashram Road, Ahmedabad -380 009
2018-19 AGM	20/09/2019	11.00 A.M	ATMA, Auditorium, Opp. Old RBI Office Ashram Road, Ahmedabad -380 009

No extraordinary general meeting of the members was held during financial year 2019-2020.

Details of the special resolution passed at the previous three Annual General Meeting

Sr. No.	Date of AGM	Details of special resolutions passed
1	23/09/2017	Alteration of Article of Association of the Company as per the provisions of the Companies act, 2013 To approve Employees Stock Option Scheme and to give authority to issue Equity Shares under ESOP Scheme. To approve Fund raising through Qualified Institutional Placement.
2	17/09/2018	Appointment of Mr. Suresh J. Patel, as Chairman and Managing director of the Company for the term of 2 years. Appointment of Mr. Bhavin S. Patel, as Executive director of the Company for the term of 5 years.
3	20/09/2019	To re-appoint Mr. Ankit S. Patel as an Executive Director of the Company. To make revision of salary structure of Mr. Suresh J. Patel, Chairman and Managing Director of the Company. To make revision of salary structure of Mr. Bhavin S. Patel, Executive Director of the Company. To appoint Mr. Kishorkumar Radadia as a Director – HSE of the Company. To Appoint Mr. Ram Prasad Srivastava as an Independent Director of the Company for period of five years. To Maintaining And keeping the Company's registers required to be maintained under the section 94 Of the Companies Act, 2013 and copies Of annual returns filed under section 92 of the Companies Act, 2013 or any one or more of them, at a place other than Company's registered office.: To decide borrowings limit of the Company To Create such charges and / or mortgages and / or hypothecations on borrowings limit Of the Company

The special resolutions indicated above were passed by Ballot Paper at the venue of General Meeting and E- Voting.

Resolution passed through Postal Ballot:

During the year, The Company had passed special resolutions through postal Ballot process (including e-voting) as prescribed under Section108 and 110 of Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and the Companies (Management and Administration) Amendments Rules, 2015, and other applicable provisions, if any of the Companies Act, 2013.

Report on Corporate Governance (Contd.)

The Company has appointed Mr. Devesh Khandelwal proprietor of M/s. Khandelwal Devesh and Associates, Practicing Company Secretaries, as a scrutiniser to scrutinise the postal ballot process in a fair and transparent manner. The Voting period for e-voting and postal Ballot was commenced on Tuesday 28th May 2019 at 10.00 a.m. and ends on Wednesday 26th June 2019 at 5.00 P.M. The results of the Postal Ballot (including E-voting) was announced on 28-06-2019, The Resolutions were approved and passed by the members of the Company with requisite majority.

The Details of the Postal Ballot (including E-voting) Results are as under:

Resolution No: 1

To approve reclassification of Authorised Share Capital of the Company (Ordinary Resolution):

i. Voted in favour of the resolution

Postal ballot Voting	Number of members voted	Number of Votes cast by members	%of total number of valid voted casted
Promoter and promoter Group			
Physical	-	-	-
Electronic (E-voting)	10	68311922	83.02
Public			
Physical	01	10	Negligible
Electronic (E-voting)	121	13960975	16.97
Total	**132**	**8,22,72,907**	**99.99**

ii. Voted against the resolution

Postal ballot Voting	Number of members voted	Number of Votes cast by members	%of total number of valid voted casted
Promoter and promoter Group			
Physical	-	-	-
Electronic (E-voting)	-	-	-
Public			
Physical	-	-	-
Electronic (E-voting)	18	7702	0.01
Total	**18**	**7702**	**0.01**

iii. Votes invalid

Postal ballot Voting	Number of members voted	Number of Votes cast by members	%of total number of valid voted casted
Promoter and promoter Group			
Physical	-	-	-
Electronic (E-voting)	-	-	-
Public			
Physical	-	-	-
Electronic (E-voting)	-	-	-
Total	**-**	**-**	**-**

Report on Corporate Governance (Contd.)

Resolution No: 2

To issue convertible warrants to promoter(s)/Promoter Group and to Non-Promoters Group of the Company on preferential Basis (Special Resolution):

i. Voted in favour of the resolution

Postal ballot Voting	Number of members voted	Number of Votes cast by members	% of total number of valid voted casted
Promoter and promoter Group			
Physical	-	-	-
Electronic (E-voting)	10	68311922	83.02
Public			
Physical	01	10	Negligible
Electronic (E-voting)	106	11478310	13.95
Total	**117**	**7,97,90,242**	**96.97**

ii. Voted against the resolution

Postal ballot Voting	Number of members voted	Number of Votes cast by members	% of total number of valid voted casted
Promoter and promoter Group			
Physical	-	-	-
Electronic (E-voting)	-	-	-
Public			
Physical	-	-	-
Electronic (E-voting)	32	24,90,297	3.03
Total	**32**	**24,90,297**	**3.03**

iii. Votes invalid

Postal ballot Voting	Number of members voted	Number of Votes cast by members	% of total number of valid voted casted
Promoter and promoter Group			
Physical	-	-	-
Electronic (E-voting)	-	-	-
Public			
Physical	-	-	-
Electronic (E-voting)	-	-	-
Total	**-**	**-**	**-**

Report on Corporate Governance (Contd.)

Accordingly, all the Resolutions (at item NO 1 to 2 of the notice) were passed by the Shareholders with requisite majority by means of postal ballot and deemed to be passed on 26th June 2019, being the last date of voting (E-voting and Physical Postal Ballot).

The Voting result along with the Scrutiniser's Report were displayed on the Company's notice Board and also on the website of the Company www.bodal.com. The results were also communicated to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited, where the Shares of the Company are listed as required under the provisions of the Listing Regulations.

Details of Holding/Subsidiary/Associates Companies (as on 31st March 2020):

Name of the Company	CIN	Holding/Subsidiary/Associate	% of Share Held	Applicable Section
Trion Chemicals Pvt Ltd	U51900GJ2009PTC056781	Wholly Owned Subsidiary	100%	2(87)
S P S Processors Pvt Ltd	U18201DL2002PTC115883	Subsidiary	70%	2(87)
Bodal Chemicals Trading Pvt Ltd	U51597GJ2018PTC105513	Wholly Owned Subsidiary	100%	2(87)
Bodal Chemicals trading Shijiazhuang Ltd-China	-	Foreign Wholly Owned Subsidiary	100%	2(87)
Sener Boya Kimya Tekstil Sanayi Ve Ticaret Anonim Sirketi	-	Foreign Subsidiary	80%	2(87)
Bodal Bangla Ltd.	-	Foreign Wholly Owned Subsidiary	100%	2(87)
Senpa Dis Ticaret Anonim Sirketi	-	Step down subsidiary (wholly owned subsidiary of Sener Boya Kimya Tekstil Sanayi VeTicaret Anonim Sirketi – Subsidiary of Bodal Chemicals Ltd)	-	-

Regulation 16 of the Listing Regulations defines a 'material subsidiary' as subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. Under this definition, the Company does not have any unlisted material subsidiary incorporated in India or Out of India.

The subsidiaries of the Company function independently with an adequately empowered Board of Directors and sufficient resources. For more effective governance, the minutes of Board Meetings of subsidiaries are placed before the Board of the Company for its review on a quarterly basis and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are also placed before the Board.

Pursuant to the explanation under Regulation 16(1)(c) of the Listing Regulations, the Company has formulated a policy for determining material subsidiaries which is disclosed on the Company's website at www.bodal.com

The Company has complied with other requirements under Regulation 24 of the Listing Regulations with regard to the subsidiary companies.

Report on Corporate Governance (Contd.)

11. Means of Communication

OTHER COMPLIANCES:

BASIS OF RELATED PARTY TRANSACTIONS

- The Company has no materially significant related party transactions with its promoters, the Directors or the management or their relatives etc. that may have potential conflicts with the interests of the Company at large.

  For details, about related parties transactions see Note No. 41 of Notes on Accounts of Balance Sheet of the Company.

Compliance by the Company

- There were no instances of non-compliance or Penalties, imposed on the Company by the Stock Exchange/(s) or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years.

Disclosure of Accounting Treatment

- In preparation of the financial statements, the Company has followed the Accounting Standards issued by ICAI. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.

Risk management

- Business risk evaluation and management is an ongoing process within the Organisation. During the period under review, a detailed exercise on the Business Risk Management was carried out covering all aspects of business operations.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

As required by the provisions of SEBI (PIT) Regulations, 2015, the Company has adopted a Code of Conduct for prevention of Insider Trading. Company Secretary of the Company is the Compliance Officer. The Code of Conduct is applicable to all Directors and such identified employees of the Company as well as who are expected to have access to unpublished price sensitive information relating to the Company.

SHAREHOLDERS' INFORMATION

1	**Registered office**	Plot No. 123 & 124, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445
	Corporate office	Bodal Corporate House, Near Anand Niketan school, Beside Maple green residency, Nr. Shilaj Circle, Off. S. P. ring Road, Thaltej, Ahmedabad-380059
2	**Annual General Meeting date, time, and venue**	20th August, 2020 through Video conferencing (VC) or Other Audio Visual Means (OAVM)
3	**Financial year**	2019--2020 (consisting of 12 months) 01/04/2019 to 31/03/2020
4	**Date of book closure**	15th August, 2020 to 20th August, 2020 (both days inclusive)
5	**Listing on stock exchange**	BSE LTD Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
		National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai 400 051

Report on Corporate Governance (Contd.)

6	**Stock codes**	BSE Scrip Code: 524370
		NSE Scrip Code: BODALCHEM
		Demat ISIN: INE338D01028
		CIN: L24110GJ1986PLC009003
7	**Types of security**	Equity Shares
	No. of paid up shares	122330165 equity shares of ₹ 2/- each fully paid
	Market lot of shares	1 Equity Share
	Details of warrants	During the financial year 2019-20 Company has issued 15000000 Number of Convertible Equity Warrants to Promotor-Promoter Group and Non-Promoter group on preferential Basis.
8	**Registrar & share transfer agent**	**M/s. Link Intime India Pvt Ltd.** **Mumbai:** C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083. **Ahmedabad Branch:** 5th Floor, 506 TO 508, Amarnath Business Centre – 1, Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellishbridge, Ahmedabad – 380 006 ahmedabad@linkintime.co.in Tel.: 079-26465179/87 Fax: 079-26465179
9	**Compliance officer / company Secretary**	**Mr. Ashutosh B. Bhatt** Plot No. 123 & 124, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445 Phone No: 079 68160100, 25835437 Fax No: 079 2583 4223, 2583 5437
10	**Depository system**	Currently 99.49% of the Company share capital is held in dematerialised form. For any assistance in converting physical shares in electronic form, investor may approach Link Intime India Pvt Ltd or Mr. Ashutosh B. Bhatt, Company Secretary & Compliance officer
11	**Bank details for electronic shareholding**	Members are requested to notify their Depository Participant (DP) about the changes in bank details. Members are requested to furnish complete details of their bank account, including the MICR codes of their bank.
12	**Furnish copies of permanent Account number (PAN)**	The members are requested to furnish their PAN which will help us to strengthen compliance with KYC norms and provisions of prevention of Money Laundering Act, 2002
13	**Investor complaint to be addressed to**	Link Intime India Pvt Ltd or Mr. Ashutosh B. Bhatt, Company Secretary & Compliance officer

Report on Corporate Governance (Contd.)

14	**E-mail ID of grievance redressal Division**	secretarial@bodal.com
15	**Payment of listing fees**	Annual listing fee for the financial year 2020-21 has been paid by the Company to BSE & NSE
16	**Payment of depository fees**	Annual Custody / Issuer fee for the financial Year 2020-2021 has been paid by the Company to CDSL & NSDL.
17	**Outstanding warrants GDRs/ADRs, and convertible Bonds, conversion date and likely impact on equity**	Not Applicable
18	**Plant locations**	**Unit-I** Plot No. 110, Phase-II, G.I.D.C., Vatva, Ahmedabad-382 445. **Unit-II** Plot No. 123&124 & C-1-B/111-114, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445. **Unit-III** Plot No. 2102, Phase-III, G.I.D.C., Vatva, Ahmedabad-382 445. **Unit-IV** Plot No. 252,253 & C-1/254, Phase-II, G.I.D.C., Vatva, Ahmedabad-382 445 **Unit VI** Plot No. 606, 607, G.I.D.C., Panoli, Nr. Ankleshwar, Dist. Bharuch, Gujarat. **Unit VII** Block No. 804, Village- Dudhwada, Ta. Padra, Dist. Vadodara, Gujarat. **Unit VIII** Block No.106, 108, Village: Ekalbara, Ta. Padra, Dist. Vadodara, Gujarat. **Unit IX** Block No. 598/A, Village: Piludra, Ta. Jambusar, Dist. Baruch, Gujarat. **Unit X** Plot No: 525, Village: Dudhwada, Ta: Padra, Dist: Vadodara, Gujarat
19	**Nomination facility**	It is in the interest of the shareholders to appoint nominee for their investments in the Company. Those members who are holding shares in physical mode and has not appointed nominee or want to change the nomination, are requested to send us nomination form duly filled in and signed by all the joint holders.

Report on Corporate Governance (Contd.)

20	**Change in shareholders details / Investors communication**	In case you are holding your shares in dematerialised form (e.g. in electronic mode), communication regarding change in address, bank account details, change in nomination, dematerialisation of your share certificates or other inquiries should be addressed to your DP where you have opened your Demat Account, quoting your client ID number. In case of physical holding of shares, any communication for change of any details should be addressed to our R&T agent **M/s. Link Intime India Pvt Ltd.**, at address mentioned below. **Mumbai Office:** C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400 083. **Ahmedabad Branch:** 5th Floor, 506 TO 508, Amarnath Business Centre – 1, Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Navrangpura, Ahmedabad – 380 009 ahmedabad@linkintime.co.in 079 - 2646 5179
21	**Physical transfer of shares**	The SEBI issued Circulars to mandating transfer of securities only in electronic form effective from 1st April 2019.

22	**List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year**	**Ratings for FY 2018-19**		**Ratings for FY 2019-20**	
		India Ratings	**CRISIL Rating**	**India Ratings**	**CRISIL Rating**
	Long Term Bank Facilities	IND A+	CRISIL A+	IND A+	CRISIL A+
	Short Term Bank Facilities	IND A1+	CRISIL A1+	IND A1+	CRISIL A1+

Share Transfer System:

Company has appointed M/s. Link Intime India Private Limited for dealing in with the Shares of the Company in physical and electronic mode, the process of transfers of shares will be completed by them at earliest, subject to the documents being valid and complete in all aspects.

Results were announced During FY 2019-20 (1st April 2019 to 31st March 2020)

Sr. No.	Particulars	Date of Meeting
1	Unaudited Quarterly Results for the Quarter ended on 30th June 2019	13/08/2019
2	Unaudited Quarterly Results for the Quarter ended on 30th September 2019	14/11/2019
3	Unaudited Quarterly Results for the Quarter ended on 31st December 2019	12/02/2020
4	Audited Financial Results for the financial year ended 31st March 2020	06/07/2020

Report on Corporate Governance (Contd.)

Results will be announced during FY 2020-21 (1st April 2020 to 31st March 2021): (Tentative)

Sr. No.	Particulars	Date of Meeting
1	Unaudited Quarterly Results for the Quarter ended on 30th June 2020	Second week of August 2020
2	Unaudited Quarterly Results for the Quarter ended on 30th September 2020	Last week of October 2020
3	Unaudited Quarterly Results for the Quarter ended on 31st December 2020	Last week of January 2021
4	Audited Financial Results for the financial year ended 31st March 2021	Last week of May 2021

Stock Data: Monthly equity share price data on BSE and NSE for the financial year 2019-20 are as under.

NSE:

Month	High Price	Low Price	Close Price	Volume No. of Shares
Apr-19	132.25	116.20	120.90	2331077
May-19	123.25	109.00	115.75	2095754
Jun-19	116.40	98.50	99.60	1830720
Jul-19	100.50	78.05	78.90	1999694
Aug-19	83.50	64.15	71.40	1688829
Sep-19	87.00	67.70	79.10	3450532
Oct-19	82.00	68.05	76.85	2693390
Nov-19	78.20	64.05	64.75	2236309
Dec-19	77.70	53.75	73.35	9542127
Jan-20	79.25	67.10	73.15	8496901
Feb-20	88.65	68.00	69.90	10598980
Mar-20	73.70	34.00	42.40	6489708

(Source from NSE Website)

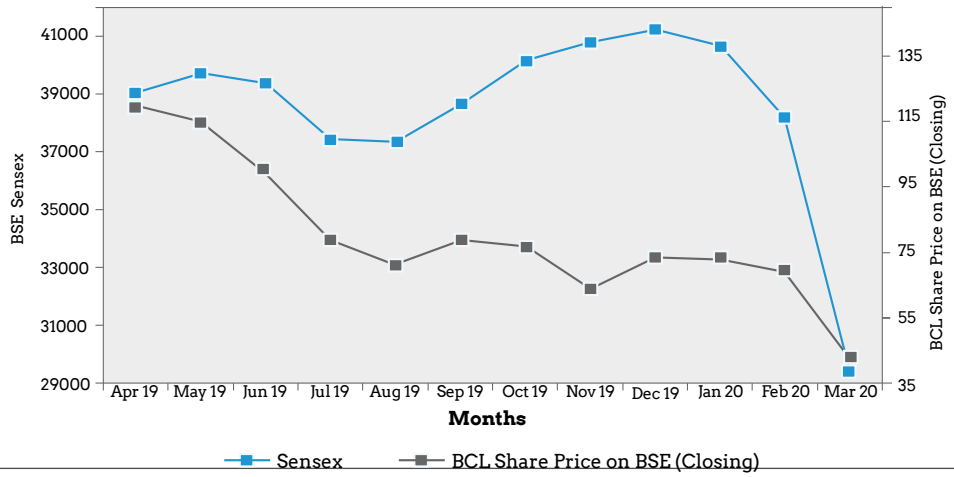
BSE:

Month	High Price	Low Price	Close Price	No. of Shares
Apr-19	132.45	116.25	119.70	339739
May-19	123.45	109.00	115.45	370763
Jun-19	117.20	97.80	99.25	221209
Jul-19	100.10	78.25	78.90	213106
Aug-19	83.15	63.00	71.45	292710
Sep-19	87.00	68.50	79.05	520770
Oct-19	84.00	68.35	76.70	287897
Nov-19	77.85	64.15	64.75	292221
Dec-19	77.70	52.00	73.50	970708
Jan-20	79.10	67.65	73.45	1196355
Feb-20	88.50	67.95	69.30	1290596
Mar-20	73.60	34.50	42.30	872081

(Source from BSE Website)

Comparison of Bodal Chemical's share price with BSE Sensex

Comparative Price Chart



Report on Corporate Governance (Contd.)

Shares held in physical and dematerialised form

Equity Shares

Dematerialisation of Shares and liquidity: Company's Paid-up capital has been dematerialised up to 31/03/2020 as per the following details. The Company's Equity Shares are actively traded shares on the Indian Stock Exchanges.

Share Held in	2019-20		2018-19	
	No. of Shares	% of share capital	No. of Shares	% of share capital
Electronic form with NSDL	76448488	62.49	7,79,55,976	63.80
Electronic form with CDSL	45261313	37.00	4,35,49,745	35.64
Physical Form	620364	0.51	6,83,044	0.56
Total	**12,23,30,165**	**100.00**	**12,21,88,765**	**100.00**

Note: Equity shares of the Company are listed on Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited. Investors can exercise dematerialisation through a recognised Depository Participant (DP) who is connected to NSDL or CDSL.

Those shareholders whose shares are held in physical form are requested to dematerialise the same at the earliest in their own interest. Thus, Investors can exercise dematerialisation through a recognised Depository Participant (DP) who is connected to NSDL or CDSL. The DEMAT security code (ISIN) for the equity shares of ₹ 2/- each is **INE – 338 D 01028.**

Bank Mandate for Dividend

As per SEBI Guidelines, it is mandatory for the companies to print bank account details of the shareholders on dividend warrants. Those members who have still not furnished their bank account details, are requested to furnish the same immediately either to their DP or to the Registrar of the Company.

Unclaimed Dividends to be transferred to the Investor Education and Protection Fund

The dividend for the following years remaining unclaimed for 7 years from the date of declaration are required to be transferred by the Company to Investor Education and Protection Fund and the various dates for transfer of such amount are as under:

Sr. No.	Financial Year	Date of Declaration	Due for Transfer on
1.	2015-16 (Interim)	12/08/2015	19/09/2022
2.	2015-16 (2nd Interim)	10/03/2016	17/04/2023
3.	2016-17 (Interim)	03/08/2016	09/09/2023
4.	2016-17 (Final)	23/09/2017	27/11/2024
5.	2017-18 (Final)	17/09/2018	22/10/2025
6.	2018-19 (Final)	20/09/2019	20/10/2026
7.	2019-20 (Interim)	12/02/2020	11/03/2027

Members who have not encashed their Dividend Warrants or those who have not received the Dividend Warrants so far, are requested to seek issuance of duplicate Dividend Warrants. Otherwise, all above said unclaimed dividend to be transferred to Investor Education and Protection Fund on above said Due Dates. Further, Shareholders are requested to send cancelled Cheque to duplicate dividend warrant claims.

Report on Corporate Governance (Contd.)

Further, pursuant to Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Shares on which dividend has not been encashed for last 7 years have to be transferred to suspense account open by IEPF Authority.

During the year, Company has not transferred any unclaimed amount and Shares to IEPF Authority.

Further, The Company has uploaded complete details of such Shares which were already transferred to DEMAT Account of IEPF Authority on its website: www.bodal.com.

Furthermore, Shareholders may claim back the shares which were already credited along with the unclaimed dividend amount from IEPF Authority after following the procedures prescribed under IEPF Rules. The procedures for claiming the same is available at **www.mca.gov.in** and **www.iepf.gov.in.**

Disclosure with respect to Demat suspense account/ unclaimed suspense account

Sr. No.	Particulars	No. of Records/ Shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year	3670	688116
2	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	NIL	NIL
3	Number of shareholders to whom shares were transferred from suspense account during the year	NIL	NIL
4	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year	NIL	685616

That the voting rights on these shares, if any shall remain frozen till the rightful owner of such shares claims the shares

Distribution of Shareholding as on 31st March 2020

According to number of Equity Shares

Sr. No.	SHARES RANGE			NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL
1	1	to	500	37584	80.385	5326559	4.3542
2	501	to	1,000	4204	8.9916	3393641	2.7742
3	1,001	to	2,000	2428	5.193	3669418	2.9996
4	2,001	to	3,000	872	1.865	2231608	1.8242
5	3,001	to	4,000	387	0.8277	1399866	1.1443
6	4,001	to	5,000	332	0.7101	1544010	1.2622
7	5,001	to	10,000	503	1.0758	3610977	2.9518
8	10,001	to	**********	445	0.9518	101154086	82.6894
Total				**46755**	**100**	**122330165**	**100**

Report on Corporate Governance (Contd.)

Category of Shareholding of the Company as on 31st March 2020

Category		As on 31-03-2020			
		No. of members	% of Total Number of Share Holders	No. of Shares	% of Total Shareholding
A	**Shareholding of Promoters and Promoter Group**				
	(i) Indian Promoters-Individuals	8	0.02	6,05,85,042	49.53
	(ii) Foreign Promoters- Individuals	2	0.00	1,07,30,620	8.77
	Total Shareholding of Promoters and Promoter Group	**10**	**0.02**	**7,13,15,662**	**58.30**
B	**Public Shareholding**				
(1)	**Institutions**				
	a. Mutual Funds	2	0.00	68,20,246	5.58
	b. Foreign Portfolio Investors	22	0.05	58,13,901	4.75
	c. Financial Institutional/Banks	3	0.01	1,38,706	0.11
	d. Insurance Companies	1	0.00	4,000	0.00
	Sub- Total B(1)	**28**	**0.06**	**1,27,76,853**	**10.44**
B (2)	**Central Government/ State Government(s)/ President of India**	1	0.00	7,525	0.01
	Sub- Total B (2)	**1**	**0.00**	**7,525**	**0.01**
B (3)	**Non Institution**				
	Individual Share Capital up to ₹ 2 Lacs	42,760	93.41	2,47,10,670	20.20
	Individual Share Capital excess of ₹ 2 Lacs	17	0.04	46,42,519	3.80
	NBFCs registered with RBI	1	0.00	1,000	0.00
	Any Other				
	a. Bodies Corporate	346	0.76	44,29,683	3.62
	b. Clearing Members	88	0.19	2,29,827	0.19
	c. HUF	1,159	2.53	16,50,717	1.35
	d. Foreign Individuals / NRIs (rep-non rep)	1,359	2.97	16,42,990	1.34
	e. Trusts	2	0.00	33,561	0.03
	f. Director or Director's Relatives	2	0.00	201000	0.16
	g. Foreign Nation/NRI	1	0.00	2542	0.00
	h. IEPF	1	0.00	685616	0.56
	Sub- Total B(3)	**45,736**	**99.91**	**3,82,30,125**	**31.25**
	Total Public Shareholding B=B(1) +B(2) +B(3)	**45,765**	**99.98**	**5,10,14,503**	**41.70**
	Total (A)+(B)	**45,775**	**100.00**	**12,23,30,165**	**100.00**

Report on Corporate Governance (Contd.)

Note: Due to Combination of Folio having same PAN, the total No of Shareholders are different Compare to Distribution of Shareholding.

Means of Communication

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans with all stakeholders which promotes management – shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual reports, media/press releases, Earning Presentations, Investor Presentations and Company's website and through green initiatives.

During the year, quarterly, half-yearly and annual financial results of the Company were submitted to the stock exchanges immediately after the conclusion of the Board meetings and Committee meetings were also published in newspapers like Economic Times (English & Gujarati edition), and Western Times (English & Gujarati edition).

Presentations made to institutional investors or to the analysts are available on the website of the Company. **www.bodal.com** and its weblink- **https://bodal.com/live.php?data=5_11**

Company's Website

The Company's website is a comprehensive reference on Bodal Chemicals' management, vision, mission, policies, Corporate Announcements, Corporate Governance, Shareholding Pattern, Investor Relations, updates and news. The section on 'Investor Relations' serves to inform the members by giving complete financial details, annual reports, shareholding patterns, presentation made to institutional investors and analysts.

The Company has also uploaded the names of the Members and the details of the unclaimed dividend by the Members on its website.

All the above details can be accessed from the website of the Company – www.bodal.com

CEO AND CFO CERTIFICATION

The Chairman & Managing Director and the Chief Financial Officer of the Company give annual Compliance Certificate in accordance with Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of Listing Agreement with the Stock Exchange(s).

The annual Compliance Certificate given by Chairman & Managing Director and the Chief Financial Officer is published in the Annual Report.

DETAILS OF UTILISATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT:

During the year under review, Company has raised an amount of ₹ 43,12,50,000/- (25% of Convertible Equity Warrant price) through issued of Convertible Equity Warrants to Promoter and Non-Promoter Group on preferential Basis.

Objects of the Preferential Issue:, to meet the working capital requirements, completion of existing and new projects, general corporate purpose, to support the future growth plans of the Company and to further invest in the subsidiaries and such other purpose as the Board may decide.

During the year 2019-20, the Company utilised funds in the following manner:

(Amount in ₹)

Net Warrant fund received	**43,12,50,000**
Utilisation	
Purchase Stake in Se-ner Boya (Turkey base acquisition)	31,00,00,000
Repayment of Working Capital	8,62,50,000
Corporate General purpose	3,50,00,000
Total Utilisation of Funds	**43,12,50,000**

Secretarial Audit:

- Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued, on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.
- A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).
- Pursuant to Regulation 24A of the Listing SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 and amend thereon, Mr. Tapan

Report on Corporate Governance (Contd.)

Shah, Company Secretary in practice has issued Secretarial Compliance report for the FY 2019-20 and Company has same filed to BSE(Bombay Stock Exchange) and National Stock Exchange of India (NSE).

- Mr. Tapan Shah, a Company Secretary in practice has conducted a Secretarial Audit of the Company for FY 2019-20. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made there under, its Memorandum and Articles of Association, Listing Regulations and the applicable SEBI Regulations. The Secretarial Audit Report forms part of the Board's Report as Annexure.

Certificate from Practising Company Secretary

Mr. Tapan Shah, Practicing Company Secretaries, has issued a certificate confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority.

In accordance with the SEBI Circular dated 8th February 2019, the Company has obtained an Annual Secretarial Compliance Report from Mr. Tapan Shah, Practicing Company Secretaries confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended 31st March 2020.

Compliance with Code of Conduct

In accordance with Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/Clause 49 of Listing Agreement with the Stock Exchange(s), the Board Members and senior management personnel of the Company have confirmed compliance with the Code of Conduct for the financial year ended 31st March 2020.

Mandatory Requirements

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

Non-Mandatory Requirements

The Company has complied with the following non-mandatory requirements of the Listing Regulations relating to Corporate Governance. The status of compliance with the non-mandatory requirements listed in Regulation 27(1) read with Part E of Schedule II of the Listing Regulations is as under:

- During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.
- The Company follows an effective process of communicating with the shareholders which has been elaborated in the Report under the Heading "Means of Communication"
- The Internal Auditors reports to the Audit Committee.

Confirmation by the Board of Directors' acceptance of recommendations of Committees:

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

DECLARATION BY THE MANAGING DIRECTOR

I, Suresh J. Patel, Chairman & Managing Director of Bodal Chemicals Limited, hereby declare that all the Members of Board of Directors and the senior management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulations 26(3) of SEBI (LODR) Regulations, 2015.

For and on behalf of the Board of Directors of **Bodal Chemicals Limited**

Suresh J. Patel
Chief Executive Officer, Chairman & Managing Director
(DIN: 00007400)

Date : 6th July, 2020
Place : Ahmedabad

Corporate Governance Compliance Certificate

Registration No.: L24110GJ1986PLC009003 Nominal Capital: ₹ 52,00,00,000/-

To,

The Members of

BODAL CHEMICALS LIMITED

CIN :L24110GJ1986PLC009003

Ahmedabad

I have examined the compliance of conditions of corporate governance by **BODAL CHEMICALS LTD**, for the year ended on 31st March, 2020 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub- regulation (2) of Regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time, pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19, I certify that the Company has complied with the mandatory conditions as stipulated in abovementioned Chapter IV of Securities and Exchange Board of India (Listing Obligations andDisclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with stock exchanges.

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

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

Name of Company Secretary in practice

Tapan Shah
FCS No.: 4476
C P No. : 2839
UDIN : F004476B000417570

Date : 6th July, 2020
Place : Ahmedabad

Note :

Due to restricted movement amid CoVID-19 pandemic, I have conducted the Corporate Governance Compliance audit by examining the various records including Minutes, Documents, Registers and other records, etc., some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to me are the true and correct.

Certificate by the CEO & CFO of the Company

We, Suresh J. Patel, Chief Executive Officer and Mayur B. Padhya, Chief Financial Officer of Bodal Chemicals Ltd., to the best of our knowledge and belief certify that;

1. We have reviewed the Balance Sheet, Profit & Loss Account, its schedule and notes to accounts and cash flow statement for the year ended **31st March 2020** and that to the best of our knowledge and belief:

   (a) these statements do not contain any materially untrue statement or omit any material facts 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 We also certify, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

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 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 Committee :-

   (a) significant changes in internal control over financial reporting during the year ;

   (b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and

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

Suresh J. Patel
Chief Executive Officer
Chairman & Managing Director
Date: 6th July, 2020

Mayur B. Padhya
Chief Financial Officer

Certificate of Non-Disqualification of Directors

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

To,

The Members of

BODAL CHEMICALS LIMITED

"PLOT NO 123 AND 124 PHASE -1,

GIDC VATVA,

AHMEDABAD 382445"

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **BODAL CHEMICALS LIMITED**, having **CIN L24110GJ1986PLC009003** and having registered office at Plot No 123 And 124 Phase -1, Gidc Vatva, Ahmedabad 382445 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Sureshbhai Jayantibhai Patel	00007400	*01/06/2005
2.	Bhavin Suresh Patel	00030464	*01/06/2005
3.	Ankit Sureshbhai Patel	02173231	24/05/2008
4.	Neha Sunil Huddar	00092245	10/05/2017
5.	Sunil Kanaiyalal Mehta	01736527	13/12/2017
6.	Nalin Kumar	03060741	13/02/2017
7.	Ram Prasad Srivastava	02227457	13/08/2019

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

Name of Company Secretary in practice

Tapan Shah
FCS No.: 4476
C P No. : 2839
UDIN : F004476B000417570

Date : 6th July, 2020
Place : Ahmedabad

Business Responsibility Report

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY:

1. Corporate Identity Number (CIN): L24110GJ1986PLC009003
2. Name of the Company : BODAL CHEMICALS LTD
3. Registered Address : PLOT NO 123-124, PHASE-I, G.I.D.C., VATVA, AHMEDABAD--382445
4. Website: www.bodal.com
5. Email ID: secretarial@bodal.com
6. Financial Year reported : 01st April 2019 to 31st March 2020
7. Sector that Company is engaged in (Industrial Activity code wise) (NIC code of Activity)

Sr.	Particulars	National Industrial Code (NIC)
1	Basic Chemicals	201
2	Dye Intermediates	202
3	Dyestuffs	202

8. Name of Key Product/Services manufactures
   1. VINLY SULPHONE ESTER
   2. H ACID
   3. Acid Black 210
9. Total Number of Location where business activities is undertakes
   1. International
   2. Domestic
10. Market served by the Company –National and International

Section B : Financial Details of the Company as on 31st March 2020:

1. Paid up Capital : ₹ 244.66 Million
2. Total Turn Over : ₹ 12,124.38 Million
3. Total Profit after Tax : ₹ 1,021.67 Million
4. Total spending on Corporate Social Responsibility (CSR) as percentage of PAT (%): ₹ 14.59 Million which is 1.43% of the PAT
5. List of Activities in which expenditure in 4 above has been incurred : as per the annexure 7 of Directors Report.

Section C : Other Details:

1. Does the Company have any Subsidiary Company/ Companies?

   Yes, Bodal Chemicals Ltd have 6 (Six) Subsidiary (including wholly owned subsidiary) Companies in Indian and overseas and a step down subsidiary Company at overseas are as follows:

   a. Name of Indian subsidiary / wholly owned subsidiary companies:
      i. SPS Processors Private Limited – Subsidiary
      ii. Trion Chemicals Private Limited – Wholly owned Subsidiary
      iii. Bodal Chemicals Trading Pvt. Ltd. -- Wholly Owned Subsidiary

   b. Name of Overseas subsidiary / wholly owned subsidiary / step down subsidiary companies:
      iv. Bodal Chemicals Trading (Shijiazhuang) Co., Ltd. -Wholly Owned Subsidiary
      v. sener Boya Kimya Tekstil Sanayi Ve Ticaret Anonim sirketi - Subsidiary
      vi. Bodal Bangla Ltd. – Wholly Owned Subsidiary
      vii. Senpa Dis Ticaret Anonim Sirketi - Step down subsidiary

2. Does the Subsidiary Company/Companies participate in the BR initiative of the parent company? If yes, then indicate the number of such subsidiary company(ies)

   No, BR initiative of the Company are limited to its own operations

3. Do any entity/entities (e.g. suppliers, distributors etc.) that the Company does the business with participate in the BR initiative of the Company? If yes, then indicate the percentage of such entity/ entities? [>30% 30-60%, <60%]

   No, BR initiative of the Company are limited to its own operations

Section D: Business Responsibility Information :

1. Details of Director/Directors responsible for BR

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

Business Responsibility Report (Contd.)

i. Din Number 00030464
ii. Name Mr. Bhavin S. Patel
iii. Designation Executive Director

b. Details of the BR head

i. Din Number 02173231
ii. Name Mr. Ankit S. Patel
iii. Designation Executive Director
iv. Telephone Number 079 68160100
v. E-mail id secretarial@bodal.com

2. List of Principals :

Principal 1: *Businesses should conduct and govern themselves with ethics, transparency and accountability*

Principle 2: *Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle*

Principle 3: *Businesses should promote the wellbeing of all employees*

Principle 4: *Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised*

Principle 5: *Businesses should respect and promote human rights*

Principle 6: *Businesses should respect, protect, and make efforts to restore the environment*

Principle 7: *Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner*

Principle 8: *Businesses should support inclusive growth and equitable development*

Principle 9: *Businesses should engage with and provide value to their customers and consumers in a responsible manner*

a. Principle-wise (as per NVGs) BR Policy/policies - Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for					Y				
2	Has the policy being formulated in consultation with the relevant stakeholders?					Y				
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)					Y The policy is based on National Voluntary Guidelines on Social, Environmental & Economical Responsibilities of Business released by Ministry of Corporate Affairs in July 2011.				
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?					Y				
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?					Y The Director is responsible for BR and BR head is responsible for implementation of the policy				
6	Indicate the link for the policy to be viewed online?					https://www.bodal.com/live.php?data=6_l2				
7	Has the policy been formally communicated to all relevant internal and external stakeholders?					It has been posted on the Company's Website.				
8	Does the Company have in-house structure to implement the policy/ policies.					Y				
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?					Y				
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?					Y				

Business Responsibility Report (Contd.)

b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable

3. Governance related to BR

i. Indicate the frequency with which the Board of Directors, Committee of Board or CEO to assess the BR performance of the Company. Within 3 Months, 3-6 Months, Annually or more than 1 Year

The BR head Periodically assess the BR performance of the Company and the Board will review the same annually.

ii. Does Company publish a BR or a Sustainability Report? What is hyperlink for viewing this report? How frequently it is published?

The Company has adopted its BR report got FY 2019-20 which form part of the Annual Report. The same can be viewed on website of the Company at https://www.bodal.com/live.php?data=1_l1

Section E : Principle wise performance

Principal 1 : Businesses should conduct and govern themselves with ethics, transparency and accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

The Company's policy on Ethics, Transparency and Accountability along with the Code of Conduct is applicable to all the persons working in the Bodal Chemicals Ltd. The Company encourages its business partners to follow the code. The policy also intends for fair dealings with customers, suppliers, contractors and other stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No stakeholder complaints were received pertaining to ethics, transparency and accountability violation in financial year 2019-20.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

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

a. Vinly Sulphone

b. Acid dyes

c. H Acid

2. Does the Company have procedures in place for sustainable sourcing (including transportation)?

The Company is in the process of institutionalising procedures for sustainable sourcing including transportation. Currently, the Company expects its supplier to abide by ISO 9001 and ISO 14001 standards.

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

a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

For all products the Company tries to procure from local supply chain partners which include small scale industries who meet our quality, delivery, cost and technology expectations. Efforts are continuously made to use local service providers for availing various support services at our various plants and services. Further, certain raw materials are not available locally and hence, company has to go outside for buying the same.

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

The Company has in-house facilities to recycle its waste and is continuously striving to optimise the process. Most of the manufacturing facilities of the Company are under Zero Liquid Discharge (ZLD). In addition to the in-house facilities, it also works with selected companies which are duly authorised by

Business Responsibility Report (Contd.)

the State Pollution Control Board (SPCB) for using such waste as their inputs.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees – Total 1560 Employees
2. Please indicate the Total number of employees hired on temporary/**contractual**/casual basis –1029.
3. Please indicate the Number of permanent **women** employees – 32 Women Employees.
4. Please indicate the Number of permanent employees with **disabilities** - 1 Employee
5. Do you have an **employee association** that is recognised by management - No.
6. What percentage of your permanent employees is members of this recognised employee association? - NIL
7. Please indicate the Number of complaints relating to **child labour, forced labour,** involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	NIL	
2	Sexual harassment		
3	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   a. Permanent Employees - 76.36%
   b. Permanent Women Employees - 100%
   c. Casual/Temporary/Contractual Employees – 100%
   d. Employees with Disabilities - 90%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

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

   Yes – the Company has done so consummately

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.

   Yes, your company always actively work to identify underprivileged communities in and around our Manufacturing Sites to prioritise our intervention and work on to serve their needs through our well-crafted CSR Programs. Your company do CSR related programme though its own and by diverting fund to NGO. The needs are identified through various listening and learning methods and are prioritised by suitably addressing the needs of the Community and the long term strategic growth of the Company as well.

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

   Yes, Bodal Chemical Ltd believes that it has an important role to play in the inclusive growth of the Society and the Community in which it operates

   - The Company has taken up Project for provision of Safe Drinking Water to primary school in the surrounding villages of manufacturing facility.
   - The Company promotes Education and Literacy in villages. Your company pays the fees of needy students and encourage study in villages also promote the students by distributing various prizes for their achievements.

   Details of all the Activities listed above can be found in Annexure 7 to the Board's Report.

Business Responsibility Report (Contd.)

Principle 5: Businesses should respect and promote human rights

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

   The Company respects & protects the human rights of all people around and associated with it. The Company complies with applicable laws and regulation governing occupational health and safety. The Company applies principles of equal opportunity, fair treatment and zero tolerance for any form of unlawful discrimination or harassment of employees. The Company is holding ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO certification for Health and Safety Standards and Environment Management Standards. The Company expects its suppliers, contractors etc. to adhere to the principles of human rights.

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

   Nil

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

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

   The Company is committed to safeguard the interest of environment with a view of sustainable development. For the same, Company has taken many environment friendly initiatives and also carried out process modification to protect environment. The Company's Environmental policy is applicable to all its business places.

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

   The Company has strategies /initiatives for enhancing its own performance (over which it is able to exercise control) related to the issue concerning the environment. The is no URL at present

3. Does the Company identify and assess potential environmental risks? Y/N

   Yes. The Company identifies and assesses potential environment risks for its products range.

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

   The Company is actively exploring and evaluating opportunity related to clean Development mechanism. The Company continuously improving the performance related to environment for its products. Company follows the guidelines issued by CPCB and GPCB for its products range.

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

   The Company has taken certain initiatives towards conservation of energy and energy efficiency at its various plants. Annexure 6 to the Board's Report contains details of the steps taken to conserve energy during the year.

   The Company regularly undertakes many initiatives related to the clean technology, energy efficiency, renewable energy etc.

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

   The Emissions/Waste generated by the Company are within the permissible limits given by CPCB/ SPCB for the financial year 2019-20

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

   As on 31st March 2020, no notice is pending.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

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

Business Responsibility Report (Contd.)

(a) . Vatva Industrial Association

(b) . CHEMEXCIL

(c) . Gujarat Safety Council

(d) . Gujarat Chamber of Commerce

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

   We do from time to time take up issues through these associations for advancement or improvement of public good and industry interest.

Principle 8: Businesses should support inclusive growth and equitable development

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

   The Company is committed to behave responsibly towards people, society and the environment for inclusive growth of the society. The Company has several socio-economic projects running in various areas and are taken as per the CSR policy of the Company which includes:

   - Promoting education and special education.
   - Promoting healthcare including preventing healthcare.
   - Company promote sustainable business practices and inclusiveness, by engaging nearby village people and develop essential infrastructures.
   - Built educational infrastructure in village schools by providing modern education platform
   - Eradicating hunger and making available safe drinking water

   The details of specific CSR projects are given in Annexure 7 to the Board's Report.

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

   The aforesaid projects have been carried out by the Company directly and/or through implementing agencies.

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

   Efforts are made to make a general assessment of impact of some of the initiatives, by visiting the place of project initiated, discussing with the community people those are benefited. The Company internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the programs and to gain insight for improving the design and delivery of future initiatives. However, no structural impact assessment is put in place at present.

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

   During the year, the Company has spent ₹ 14.59 Million towards various CSR initiatives and projects. The details of the same are given in Annexure 7 to the Board's Report.

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

   All CSR projects and initiatives are planned with the objective of sustainable community development. The project is identified and developed as a facilitator within the CSR policy framework and presented to the CSR committee for its review, guidance and approval. The Company works directly and through implementing agencies of the project to ensure proper and meaningful adoption of these initiatives among the target community.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

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

   No customer complaints are pending as on the end of the financial year.

Business Responsibility Report (Contd.)

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

   Not Applicable

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

   No case against Bodal Chemicals Ltd were filed during last five years, relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

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

   Your company believes in providing best services to its customers. Time to time meeting(s) with customers are organised by the marketing teams to understand their expectation and essentially to gauge our competitiveness in the business. Bodal to remain consistently in touch with the customers through its business units and mitigate their issues promptly. Feedbacks received from customers are implemented to further enhance quality of service. Our ongoing efforts have made us significant players across all products we operate in.

Date: 6th July, 2020
Place : Ahmedabad

For, Bodal Chemicals Ltd
Suresh J. Patel
Chairman and Managing Director

Management Discussion and Analysis

Economic Overview

Global

The global economic growth decelerated from 3.6% in 2018 to 2.9% in 2019. This tepid performance was the outcome of a host of factors like intense US-China trade war, the escalating geo-political tension and rising global debt. On the contrary side, stable crude oil prices, easing concern on Brexit, US-China trade talk and pro-active involvement by the global central banks, enthused some hope in the economy by the end of 2019.

Growth in developed economies decelerated to 1.7% in 2019, down by 50 basis points from a year ago. This slowdown occurred due to sluggish growth in manufacturing activity. To offset the same, companies adjusted the production in accordance to the demand. Emerging and Developing Economies (EMDE) posted a growth of 3.7% as some of the countries in the region benefited from diversion in the trade flows. Among the developing economies, the Asia-Pacific (APAC) regions performed well, as the region integrated well into global flow of trade, capital, talent, and innovation. Hence, the growth trajectory of these regions is relatively expected to stay stronger in longer term.

The outlook for the global economy 2020 looked hopeful until the outbreak of Covid-19. It unleashed an unexpected blow through lockdown, by clogging off the demand and disrupting supply chain worldwide. This led the Government all around the world to announce stimulus packages to revive business, strengthen public health safety and security. The gradual lifting of lockdown will slowly allow reopening of the economy and force major economies to re-think about their raw material procurement strategy which was highly dependent on single source.

Indian

In the past decade, India's GDP growth has remained one of the highest in the world, pegging a CAGR of 6-7% *(Source: Economic times, November 2019)*. Urbanisation, technology adoption and rising overseas investment played a key role in nations efficiency and productivity. However, during the financial year 2019-20, India's GDP shrank to 4.2% as compared to 6.1% in 2018-19. This slowdown can be attributed to governance issues, falling government expenditure, subdued demand, rising NPAs, trade deficit and debt level. Responding to these, the Indian Government took various measures like opting out of RCEP deal, introducing Competition commission of India (CCI 2.0) bill, decision to privatise few public companies, slashing down the corporate, GST and income tax rates. Even RBI reduced repo rate on various occasions to boost liquidity. Going into 2020-21, all these measures were anticipated to push the demand and supply side of the Indian economy. However, the Covid-19 outbreak led to a nationwide lockdown, severely affecting the labourer, vendors and MSMEs. Right before we were struck by this health emergency, the Government and RBI had intervened to bring in some relief through various measures in the form of monetary policy, fiscal stimulus, reforms and easing of lockdown.

Chemical Industry

The world landscape of the chemical industry is rapidly changing. The western countries are losing their share due to high energy prices, labour cost, and currency appreciation. Thus, emerging countries like India and China are capitalising on this, pushing the industry to the next stage through development in technology, innovation, and trade. This trend is expected to continue in the future.

The size of the Indian chemical industry is ~USD 163 Billion, wherein Pharma, Agro, Dyes and Pigments, other speciality and Fine Chemicals contribute around 50% *(Source: Economic times, , October 2019)*. Over the past ten years, the Indian chemical industry has clocked a CAGR of over 10% *(Source: Business Today, February 2020)*. This growth is the testimony of structural advantage, diversified industry, promising export potential and high domestic consumption. Slowly and gradually, India is emerging as a preferred choice for chemical products, as domestic players are addressing environmental issues through adoption of best global practices and by staying committed towards sustainability programs. These augur well for the country as it already enjoys the advantage of cheap labour and easy availability of raw material. Going forward, in the near term, the Covid-19 landscape is bound to bring some volatility in the market. But, in longer term, the industry is expected to register a growth of 13-14% over the next 5 years owing to growth of strong intellectual property regime and infrastructure development like warehouses, waste management facilities and ports *(Source: Maeirvidorno, December 2019)*.

Management Discussion and Analysis (Contd.)

Outlook for the global chemical production 2020

(Excluding pharmaceuticals)

14%

Expected global chemical market CAGR by CY 2024

61%

Growth will originate from APAC region

(Source: Businesswire, 3rd June 2020)

Indian chemical industry quick facts

6th

Largest in the world

(Source: Confederation in Indian Industry)

33%

Output is consumed within the industry

(Source: Maiervidorno, December 2019)

~16%

Contribution to the manufacturing GDP

(Source: Make in India)

USD 304 Billion

Industry projection to reach by 2024-25

(Source: HDFC securities, August 2019)

Speciality Chemical: The next wave of growth

Speciality Chemicals are low volume, high margin products catering niche segments. Ever since China's chemical plant shutdown, owing to violation of environmental norms, Indian speciality companies have seen their fortune turn. Domestic companies have spent vital amount of money to comply with regulatory norms which has helped them gain market share. This increased their utilisation level, economies of scale and improved margins. Further, to meet the rising demand, the Indian Speciality Chemical industry also spent a decent Capex to build a world-class facility and move up the value chain at a rapid pace. This capital spending is likely to decrease the nation's chemical import bill. Indian speciality market looks promising, as the Chinese counterparts lose the power of better pricing due to rising environmental cost factor. This pace is expected to spur as Indians consume more food, wear more clothes and buy plastic.

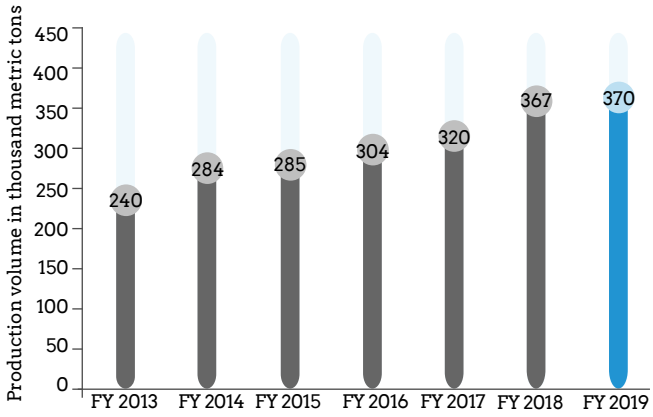
Dyestuff Industry

The growth of the chemical industry is majorly supported by the uptrend in Dyestuff industry. Textile constitutes ~80% of the total Dyestuff consumption, signifying the pivotal role it plays in pushing the Dyestuff market value *(Source: Trade Promotion council of India, August 2018)*. Dyes and Pigments are used in varied number of applications, thus making it safe in terms of any slowdown in specific end-user industry. In India, Dyestuff production is growing at a satisfying level wherein, Gujarat is a leader with over 75% market share *(Source: Financial express, 26th February 2020)*. Going forward, the scope for Dyestuff industry looks huge with

Management Discussion and Analysis (Contd.)

its production volume projected to hit 572.2 thousand tons in 2024, increasing at a CAGR of 9.11% from 2020-2024 *(Source: Economic times, 14th May 2020)*. This production level could be challenged by growing Coronavirus (Covid-19) scare in near term for smaller domestic companies. However, at the same time, this could also open doors of opportunities for big players to grow their dominance through consolidation.

Production volume of Dyes and Pigments in India (in 1,000 metric tons)



(Source: Statista, 19th November 2019)

90%

Maharashtra and Gujarat account for Dyestuff production in India
(Source: Doing business in Maharashtra)

Opportunities and Growth Drivers

Policy changes in China

As a step towards reducing the emissions and managing waste properly, the Chinese government laid down various stringent measures. This has led to an increase in the compliance cost. The Chinese government also declared some areas of the Yangtze river as a protected zone, mandating no factories to be built within the 1 kilometre of the river. These measures are expected to eliminate smaller companies from China. And the decreasing chemical production from Chinese companies is anticipated to shift the demand to other countries. These developments augur well for the Indian chemical companies. Bodal Chemicals, with its high production capacity and export capability, stands at the forefront of meeting this demand from the western countries. *(Source: JM Financial Report)*

Lower tax rates

To revive the consumption and demand, the Indian Government decreased effective Corporate tax rate from 30% to 22%. This lower tax rate is expected to benefit Bodal Chemicals through increase in its profitability in terms of value as well as margins.

Low per capita consumption in chemical industry

India's chemical per capita consumption is 1/10th of the global standards *(Source: HDFC Securities)*. Over the next decade, the domestic chemical per capita consumption is expected to increase owing to rising income level and industries. Bodal Chemicals is well positioned to cater the country's rising consumption through its expanding capacity and wide product portfolio.

Ease of doing business

India moved up from 77th position in 2018 to 63rd position in 2019 on the World Bank's ease of doing business index, riding the back of various favourable reforms and friendly policies. This is expected to attract more overseas end-user industries to set up a manufacturing base in the country. Bodal Chemicals, catering a wide range of industries, is bound to benefit from such shift of preference.

Social and physical infrastructure development

The industry requires good ports and connectivity to become competitive amongst peers. Responding to this, the Government has placed huge emphasis on infrastructure through ₹ 100 Lacs Crores investment under its five-year plan. This will help reinforce the existing ports while building new ones. These initiatives are expected to allow Bodal Chemicals with better supply turnaround time.

Threat

Competitiveness

The Government has allowed 100% FDI in chemical sector. This has resulted in domestic players facing stiff competition from foreign multinationals, capable of exerting strong price pressures on local markets. Bodal Chemicals views this as a healthy indicator of further thriving and leveraging on its attributes. Better pricing,

Management Discussion and Analysis (Contd.)

quality products, high volumes and strategic locations, compared to its peers, are some of the factors that places the Company in a better position to face this competition.

Company overview

Established in 1989, Bodal Chemicals is the leading Indian integrated chemicals manufacturer, catering 150+ global and domestic marquee clients. The Company offers 150+ types of Dyestuff, 25 varieties of Dye intermediates and 12 kinds of basic chemicals under its product portfolio. With nine manufacturing facilities situated in Gujarat and one located in Uttar Pradesh, domestic region remains Bodal Chemicals' primary revenue market. However, with time, the Company is also strengthening its footing in the overseas market through export, building diverse sales avenue. With its six operating subsidiaries, Bodal Chemicals is strengthening its position in marketing and trading sales domain.

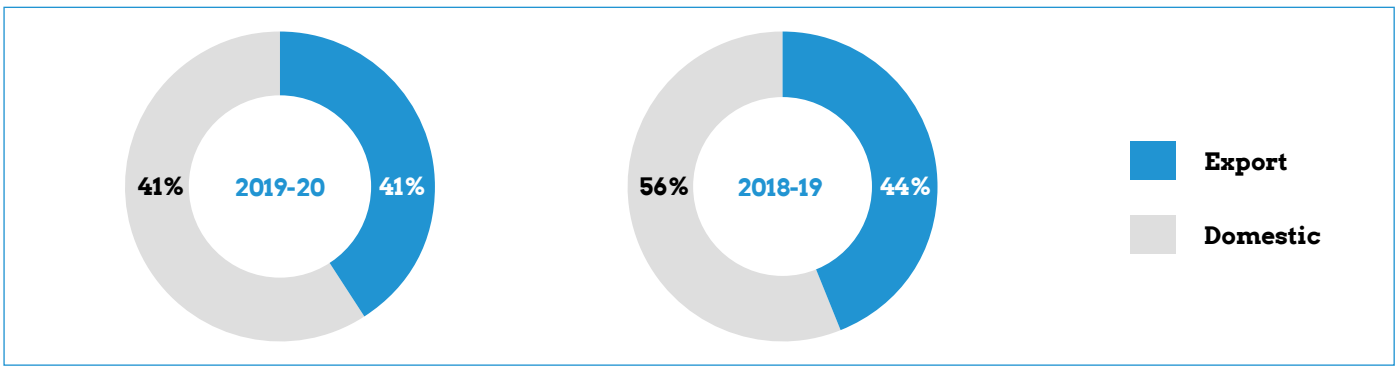
Financial Performance (Consolidated) (₹ in Million)

	2019-20	2018-19	Reason for decline
Revenue from operation	13,748	14,235	• Volatile raw material prices • Increase in depreciation and financial cost • Lower demand • Write off of Saykha Project capital WIP (₹ 8.80 Crores)
EBITDA	1,481	2,495	
Profit after tax	867	1,413	
Earnings per share (₹)	7.16	11.56	

Details of significant ratio changes (Consolidated basis)

Ratio	2019-20	2018-19
Return on Operating Capital Employed (RoCE) %	12.91	27.01
Return on Net Worth (RoNW) %	12.91	27.52
Basic EPS (₹/Share)	7.16	11.56
Debtors Turnover (Days)	105.06	88.26
Inventory Turnover (Days)	86.54	68.96
Interest Coverage Ratio	6.32	25.15
Current Ratio	1.53	1.50
Debt Equity Ratio	0.26	0.20

Geography-wise revenue (Standalone)



Management Discussion and Analysis (Contd.)

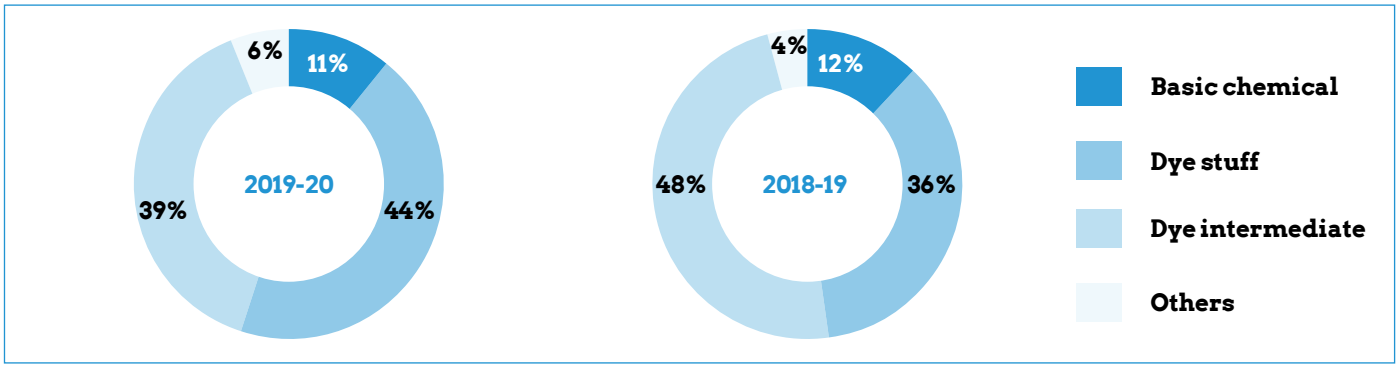
Segment-wise Performance

	Productions (MT)		Capacity utilisation (%)		Reason for decline
	2019-20	2018-19	2019-20	2018-19	
Basic chemical	1,98,732	188,534	87.93	83.42	• Subdued demand in end-user industries • Company undergoing an expansion phase • While total production has increased year on year, utilisation levels have declined due to increase in the capacities
Dye stuff	18,890	18,588	53.97	71.74	
Dye intermediate	23,898	33,000	79.66	78.91	

SPS and Trion

SPS Loss stood at ₹ 24.81 Million, whereas Trion posted a loss of ₹ 119.99 Million

Segment-wise Revenue (%)



Human Resource Management

It is important to adopt the best working methods to evolve with the changing industry scenario. This approach, along with the right team, is crucial for progress. The Company has overcome hurdles and thrived ahead amidst a rough operating environment. This has only been possible with the people of Bodal Chemicals, the most valued assets of the Company. They bring the Company's values to life while helping it achieve its full potential. Bodal Chemicals moves ahead with the approach of attracting the best talents. It further nurtures them to the global industry standards, so they can perform in an agile and collaborative manner.

The Company places great importance towards cultivating employees' skills, promoting a diverse workforce and building a pipeline of future leaders. The ambition is to create a great workplace where every employee contributes to the Company's success. For this purpose, the Company launched an ESOP earlier, to share success with recognised individuals who go 'above and beyond' to deliver outstanding results and make exceptional contributions to the business. Events like World Environment Day, Safety Week Celebration and Independence Day are celebrated with the aim of aligning and bringing together teams across all levels and the organisation. During the year, an HR mobile application was launched which automated many tasks, reducing

Management Discussion and Analysis (Contd.)

employees' dependency on HR. The application comprises and shares Company news, leave details, salary details, and other individual information in real time.

1,560

No. of employees as on 31st March 2020

Safety Health Environment

Safety

Bodal Chemicals takes various measures to protect its human life. Regular safety trainings for employees across all the chemical manufacturing units are organised. These trainings ensure the right maintenance of all the safety equipment. Moreover, the Company also has doctors and medical representatives, available through the day, at its health centre. These doctors and medical representatives are well-versed to tackle any emergencies. The Company also carries out regular health check-up for its employees.

Environmental management

Bodal Chemicals is committed towards keeping its surrounding areas unimpacted by its manufacturing facilities. The Company responsibly uses and manages natural resources and concentrates on priority issues like climate change through its environmental management initiatives. The Company's water treatment plants testify as an evidence towards its best environmental practices. These plants give Bodal Chemicals a competitive advantage in terms of efficiency, performance, and productivity. The Company holds ISO 9001: 2015 and ISO 14001: 2015 certifications, showcasing its quality adherence.

Risk Management

The Company believes it is necessary to recognise business sustainability risks and opportunities on an ongoing basis. The Company embraces processes which continuously enhance risk awareness and promote a culture of effective risk management.

Risk	Impact	Mitigation
Economic externalities	Macroeconomic factors such as liquidity crisis, subdued consumption, trade wars and pandemic, can affect the business plan in near to medium term.	The Company hedges itself from the country and sector specific risks as it caters wide range of industries and exports to about 45 countries. Moreover, maintaining a strong financial position helps overcome any headwinds and turbulence in the economy.
Operational discrepancy	The chemical industry is complex and integrated. Any disruption across the value chain can ensue production loss, decreasing the revenue.	The Company carries out regular maintenance and inspection programmes to recognise any discrepancy before it erupts.
Cyclicality of the industry	The industry is determined by market demand and supply. Therefore, an increase in raw material's price can affect operating margin.	The Company manages its inventory effectively to ensure that the sales are met through right production volumes. Additionally, it also stays competitive by reducing raw material dependency on suppliers for procurement. This is done by strengthening the vertical as well horizontal product integration through in-house manufacturing.

Management Discussion and Analysis (Contd.)

Risk	Impact	Mitigation
Reputational risk	The Company is known as the reliable partner today. Therefore, any issue in the quality of the product and failure to comply with quality standards can impact its reputation.	The Company follows strict quality control processes and also adheres to all the applicable external standards across all manufacturing sites.
Sustainability risk	Any kind of soil and air pollution/leaks of harmful substances/tightening can result in legal penalties.	The Company takes Environmental, Social and Governance (ESG) into consideration for its sustainable growth. The Company has installed treatment plants at its facilities to save water and be energy efficient. It also covers various areas of CSR activities and stays committed to the best of governance.

Internal Control System and their Adequacy

Supply chain management

There are about 200 products manufactured and sold across more than 45 countries, resulting in a widespread supply chain network. Bodal Chemicals continually invests in initiatives for supply chain optimisation, capability building of its trade partners and the sales force. The constant observation and revision for all the manufacturing facilities helps get better response. The key to an efficient supply chain management system is the use of technology solutions and predictive analytics for capturing accurate data, making proper decisions.

Information technology

Information technology provides continuous support to business operations, offering competitive advantages to the Company. A comprehensive ERP system has been implemented which helps Bodal Chemicals to increase its supply chain and provides accurate forecasts for the sourcing and supply. The IT system and infrastructure are continuously examined and improved with appropriate and timely upgradation.

Cautionary Statement

Statements in the Directors' Report, Management Discussion and Analysis or elsewhere in this Annual Report, contain 'forward-looking statements' including, but without limitation, statements relating to the implementation of strategic initiatives and other statements relating to Bodal Chemicals' future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, Governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Bodal Chemicals undertakes no obligation to publicly revise any forward-looking statements to reflect future/likely events or circumstances.

INDEPENDENT AUDITOR'S REPORT

To The Members of BODAL CHEMICALS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **BODAL CHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 49 to the standalone financial statements in which the Company describes the uncertainties arising from the COVID 19 pandemic. Our report is not modified in respect of this matter.

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
1	**Timely recognition of revenue** (Refer Note 1.3 and Note 28 to the Standalone Financial Statements) We focussed on this area as a Key audit matter due to the risk of incorrect timing of revenue recognition. Since the Company focuses on revenue as a key performance measure, it could create an incentive for revenue to be recognized though the performance obligations have not been satisfied by the Company.	**Principal audit procedures performed:** Our audit procedures was a combination of test of controls and substantive procedures which included the following: • Evaluated the design of internal controls relating to recording of revenues at reporting periods. • Selected a sample of invoices and tested the operating effectiveness of internal controls relating to revenue cut off's. • Performed cut-off procedures (early and late cut off's) for sample of revenue transactions at year-end by testing the underlying invoices to the related delivery documents.
2	**Existence and condition of inventories of raw materials, stock in process and finished goods** (Refer to Note 10 to the Standalone Financial Statements) The Company has its inventories placed in the factories at various locations. The Company has a policy of performing physical verification of inventories across locations: • during the year at reasonable intervals, and • also as on / or near to the balance sheet date. On account of COVID-19 related lockdown restrictions, management was unable to perform year end physical verification of inventories and verification was carried out subsequently for some of the locations. Management has carried out other procedures to validate the existence and conditions of its inventory as at the year end, such as roll back procedures for inventories which were physically verified subsequent to year end and carrying out consumption analysis to determine the quantities of the inventory at the balance sheet date. We were not able to observe the physical verification of inventories that was carried out by the management subsequent to the year-end due to the COVID-19 related restrictions. In view of the foregoing, obtaining sufficient appropriate audit evidence regarding existence and condition of inventories as at the balance sheet date is identified as a key audit matter.	**Principal audit procedures performed:** We have performed the following alternate audit procedures to audit the existence and condition of inventories as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items", as at the year-end, since we were not able to physically observe the physical stock verification: • Understood and evaluated the management's internal control process to establish the existence and condition of inventories such as: a) the process of periodic physical verification carried out by the management, the scope and coverage of the periodic verification programme, the results of such verification including analysis and accounting of the discrepancies, if any; b) report of the Company's in-house internal audit team who physically verify the inventory of the Company at various locations. • Verified the stock movement analysis for the year in respect of key items of raw materials and finished goods at the factories to determine the quantities of inventory as at the balance sheet date. • Performed alternate procedures to audit the existence and condition of inventories, which includes inspection of supporting documentation relating to purchases, sales and production

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Corporate Governance Report and Management Discussion & Analysis, but does not include consolidated financial statements, standalone financial statements and our auditor's reports thereon.
- Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

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

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 20103999AAAACV6504

Chicalim, Goa
6th July 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report 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 Bodal Chemicals Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 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 Company's 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

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 31st March, 2020, based on the criteria for internal financial control over financial reporting 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 **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 20103999AAAACV6504

Chicalim, Goa
6th July 2020

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

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

(c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans, are held in the name of the Company based on the confirmations directly received by us from lenders.

ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of provisions of sections 73 to 76 of the Act and the rules framed there under and hence reporting under clause (v) of the Order is not applicable.

vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, , Customs Duty, cess and other material statutory dues in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Excise Duty, Service Tax and Value Added Tax which have not been deposited as on 31st March, 2020 on account of disputes are given below:

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Name of the statue	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in Million)	Amount unpaid (₹ in Million)
Income Tax Act, 1961	Demand for Tax	Commissioner of Income Tax (Appeals)	AY 2006-07 AY 2007-08 AY 2008-09 AY 2010-11 and AY 2016-17	62.84	29.66
		Deputy Commissioner of Income Tax	AY 2014-2015	0.72	0.72
		Assessing Officer	Various	6.37	6.37
Central Excise Act, 1944	Demand for Tax and Penalty	Customs Excise and Service Tax Appellate Tribunal	FY 2005-2015	28.70	27.99
		Commissioner (Appeals)	FY 2009-2015	2.96	2.93
The Finance Act, 1994	Demand for Tax and Penalty	Central Excise and Service Tax Appellate Tribunal	FY 2011-2017	3.42	3.42

viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not borrowed any amounts from financial institutions and government. The Company has not issued any debentures.

ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

xiii) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

xiv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 20103999AAAACV6504

Chicalim, Goa
6th July 2020

Balance Sheet as at 31st March 2020

(₹ in Million)

Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non - Current Assets :			
Property, Plant and Equipment	2	5,616.06	5,282.86
Capital Work-in-progress		3.76	199.84
Right of Use Asset	3	0.26	-
Intangible Assets	4	8.31	6.32
Financial Assets			
Investments	5	569.05	197.53
Loans	6	1,884.07	989.88
Other Financial Assets	7	27.54	46.47
Income Tax Assets (Net)	8	104.60	105.83
Other Non-Current Assets	9	153.34	168.40
Total Non - Current Assets		**8,366.99**	**6,997.13**
Current Assets			
Inventories	10	1,855.05	1,851.47
Financial Assets			
Investments	11	-	5.74
Trade Receivables	12	2,941.66	2,204.41
Customers Bill Discounted	12	771.05	698.94
Cash and Cash Equivalents	13	122.64	66.46
Other Bank Balances	14	26.87	16.98
Loans	15	45.17	75.76
Other Financial Assets	16	0.25	32.15
Other Current Assets	17	427.52	405.17
Total Current Assets		**6,190.21**	**5,357.08**
Total Assets		**14,557.20**	**12,354.21**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	18	244.66	244.38
Other Equity	19	8,925.91	8,107.82
Money Received Against Share Warrants		431.25	-
Total Equity		**9,601.82**	**8,352.20**
Liabilities			
Non-Current Liabilities			
Provisions	20	-	4.10
Deferred Tax Liabilities (Net)	21	373.27	440.46
Total Non-Current Liabilities		**373.27**	**444.56**
Current Liabilities			
Financial Liabilities			
Borrowings	22	1,612.26	654.96
Customers Bill Discounted	22	771.05	698.94
Lease Liabilities		0.25	-
Trade Payables	23		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises		32.48	26.40
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		1,916.29	1,899.97
Other Financial Liabilities	24	45.04	132.58
Other Current Liabilities	25	110.89	134.47
Provisions	26	-	10.13
Income Tax Liabilities (Net)	27	93.85	-
Total Current Liabilities		**4,582.11**	**3,557.45**
Total Liabilities		**4,955.38**	**4,002.01**
Total Equity and Liabilities		**14,557.20**	**12,354.21**

See Accompanying Notes forming part of the Financial Statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Varsha A. Fadte
Partner
Membership No. 103999

Chicalim, Goa
July 6, 2020

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Mayur B. Padhya
Chief Financial Officer
Ahmedabad
July 6, 2020

Bhavin S. Patel
Executive Director
DIN : 00030464

Ashutosh B. Bhatt
Company Secretary

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

(₹ in Million)

PARTICULARS	Notes	Year ended 31st March 2020	Year ended 31st March 2019
INCOME			
Revenue from Operations	28	12,124.38	13,793.62
Other Income	29	193.69	146.75
Total Income		**12,318.07**	**13,940.37**
EXPENSES			
Cost of Raw Materials Consumed	30	7,569.82	9,398.34
Purchases of Stock-in Trade	31	2.64	1.65
Changes in Inventories of Finished Goods, Work in Process and Stock in Trade	32	71.94	(643.17)
Employee Benefits Expense	33	777.48	592.27
Finance Costs	34	115.86	69.30
Depreciation and Amortisation expense	35	240.67	182.67
Other Expenses	36	2,316.03	2,114.57
Total Expenses		**11,094.44**	**11,715.63**
Profit Before Tax		**1,223.63**	**2,224.74**
Tax Expenses	40		
Current Tax		274.35	618.37
Deferred Tax		(72.39)	165.72
Total Tax Expense		**201.96**	**784.09**
Profit for the Year		**1,021.67**	**1,440.65**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		20.32	(6.71)
Income Tax relating to items that will not be reclassified to profit or loss		(5.21)	2.34
Other Comprehensive Income for the Year (net of tax)		**15.11**	**(4.37)**
Total Comprehensive Income for the Year		**1,036.78**	**1,436.28**
Earnings per equity share (Face value of ₹ 2)	43		
Basic (in ₹)		8.35	11.78
Diluted (in ₹)		8.35	11.77

See Accompanying Notes forming part of the Financial Statements

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Varsha A. Fadte
Partner
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Chicalim, Goa
July 6, 2020

For and on behalf of the Board of Directors

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Executive Director
DIN : 00030464

Mayur B. Padhya
Chief Financial Officer
Ahmedabad
July 6, 2020

Ashutosh B. Bhatt
Company Secretary

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

(₹ in Million)

A) Equity Share Capital	As at 31st March 2020	As at 31st March 2019
Balance at the commencement of the year	244.38	244.38
Add : Issue of Shares under ESOP	0.28	-
Balance at the end of the year	**244.66**	**244.38**

(₹ in Million)

B) Other Equity	Reserves & Surplus						
	Capital Reserves	Capital Redemption Reserve	Securities Premium	Employee Stock Options Outstanding Account	General Reserve	Retained Earnings	Total
Balance as at 1st April 2018 (A)	**76.12**	**289.67**	**2,381.91**	**3.86**	**138.86**	**3,884.76**	**6,775.18**
Additions during the year:							
Profit for the year	-	-	-	-	-	**1,440.65**	**1,440.65**
Other Comprehensive Income for the Year, Net of Tax	-	-	-	-	-	(4.37)	(4.37)
Total Comprehensive Income for the Year 2018-19 (B)	-	-	-	-	-	**1,436.28**	**1,436.28**
Addition due to Employee Share based Expense (refer note 50)	-	-	-	14.20	-	-	14.20
Reductions during the year:							-
Dividends	-	-	-	-	-	(97.75)	(97.75)
Tax on Dividends	-	-	-	-	-	(20.09)	(20.09)
Total (C)	-	-	-	-	-	**(117.84)**	**(117.84)**
Balance as at 31st March 2019 (D) = (A+B+C)	**76.12**	**289.67**	**2,381.91**	**18.06**	**138.86**	**5,203.20**	**8,107.82**
Additions during the year:							
Profit for the year	-	-	-	-	-	1,021.67	1,021.67
Other Comprehensive Income for the Year, Net of Tax	-	-	-	-	-	15.11	15.11
Total Comprehensive Income for the Year 2019-20 (E)	-	-	-	-	-	**1,036.78**	**1,036.78**
Change due to Employee Share based Expense (refer note 50)	-	-	24.25	(6.99)	-	-	17.26
Reductions during the year							
Dividends	-	-	-		-	(195.72)	(195.72)
Tax on Dividends	-	-	-	-	-	(40.23)	(40.23)
Total (F)	-	-	-	-	-	**(235.95)**	**(235.95)**
Balance as at 31st March 2020 (D+E+F)	**76.12**	**289.67**	**2,406.16**	**11.07**	**138.86**	**6,004.03**	**8,925.91**

(₹ in Million)

C) Money Received against Share Warrants	As at 31st March 2020	As at 31st March 2019
Balance at the commencement of the year	-	-
Addition during the year (refer note 55)	431.25	-
Balance at the end of the year	**431.25**	**-**

See Accompanying Notes forming part of the Financial Statements

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Varsha A. Fadte
Partner
Membership No. 103999

Chicalim, Goa
July 6, 2020

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Mayur B. Padhya
Chief Financial Officer
Ahmedabad
July 6, 2020

Bhavin S. Patel
Executive Director
DIN : 00030464

Ashutosh B. Bhatt
Company Secretary

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

(₹ in Million)

PARTICULARS		Year 2019-20	Year 2018-19
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit Before Tax	1,223.63	2,224.74
	Adjustments for		
	Depreciation and Amortisation Expense	240.67	182.67
	Unrealised Foreign Exchange Gain	32.56	(27.92)
	Fair Value Loss on Investments measured through Profit or Loss	24.80	0.36
	Mark-to-market loss on derivative financial instruments	9.19	-
	Allowance for Doubtful Trade Receivables	(1.68)	(2.76)
	Finance Costs	115.86	69.30
	Expenses recognised in respect of Share based Payments	10.47	14.20
	Loss / (Profit) on Sale of Property, Plant & Equipment (Net)	3.38	(0.25)
	Interest and Dividend Income	(164.09)	(114.68)
	Profit on Sale of Current Investments (Net)	(0.98)	(2.50)
	Liabilities no Longer required Written Back	-	(11.65)
	Operating Profit before Working Capital Changes	1,493.81	2,331.51
	Adjustment for :		
	(Increase) / Decrease in Trade Receivables	(765.38)	438.26
	Increase in Inventories	(3.58)	(730.42)
	Decrease in Financial Assets	30.10	4.31
	Decrease in Other Assets	1.52	113.72
	Increase in Trade Payables	10.82	460.15
	Increase in Other Financial Liabilities	0.49	0.51
	Increase / (Decrease) in Other Liabilities and Provisions	(17.49)	118.96
	Cash generated from Operations	750.29	2,737.00
	Income Taxes Paid (Net of Refund)	(179.28)	(638.70)
	Net Cash generated from Operating Activities (A)	**571.01**	**2,098.30**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant & Equipment including Capital Work in Progress and Capital Advances	(495.35)	(1,430.67)
	Sale Proceeds of Property, Plant & Equipment	5.47	0.86
	Loans given to Subsidiaries	(1,483.96)	(711.01)
	Loans given to Associated Concern	-	(60.26)
	Loans repaid by Subsidiaries	596.10	203.89
	Loans repaid by Associated Concern	-	17.90
	Loans given to Employees (Net)	(8.58)	(3.82)
	Interest/Dividend received	161.92	113.98
	Inter Corporate Loans received back	35.00	47.44
	Bank Balances not considered as Cash and Cash Equivalents		
	Placed	(6.47)	(4.37)
	Matured	0.26	31.46

Statement of Cash Flows for the year ended 31st March 2020 (Contd.)

(₹ in Million)

	PARTICULARS	Year 2019-20	Year 2018-19
	Advance for Investment	17.06	10.31
	Proceeds from Sale of Current Investments (net)	5.98	32.58
	(Investments in) / Proceeds from Preference Shares in subsidiary	(6.13)	35.13
	Investments in Equity Shares in Subsidiaries	(389.45)	(31.69)
	Net Cash used in Investing Activities (B)	**(1,568.15)**	**(1,748.27)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Increase/(Decrease) in Short Term Borrowings (Net)	966.13	(104.80)
	Proceeds from issue of Equity Shares under ESOP	7.07	-
	Money Received against Share Warrants	431.25	-
	Finance Costs Paid	(115.82)	(69.30)
	Lease Liabilities Paid	(0.32)	-
	Dividend Paid on Equity Shares	(194.76)	(97.75)
	Tax on Dividend Paid	(40.23)	(20.09)
	Net Cash from / (used in) Financing Activities (C)	**1,053.32**	**(291.94)**
	NET INCREASE IN CASH & EQUIVALENTS	**56.18**	**58.09**
	Cash & Cash Equivalents at the beginning of the year	66.46	8.37
	Cash & Cash Equivalents at the end of the year (refer note 13)	**122.64**	**66.46**

Note i): The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Statement of Cash Flows'.

Note ii): Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, are given below.

(₹ in Million)

	Non-Current	Current (Refer Note 22)
Borrowings as on 31st March 2019	-	1,353.90
Cash Flows - Increase in Borrowings	-	966.13
Non Cash Changes - Foreign Exchange Movement	-	63.28
Borrowings as on 31st March 2020	**-**	**2,383.31**

See Accompanying Notes forming part of the Financial Statements

As Per Our Report of even date attached

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Varsha A. Fadte
Partner
Membership No. 103999

Chicalim, Goa
July 6, 2020

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Mayur B. Padhya
Chief Financial Officer
Ahmedabad
July 6, 2020

Bhavin S. Patel
Executive Director
DIN : 00030464

Ashutosh B. Bhatt
Company Secretary

Notes to the Financial Statements

COMPANY BACKGROUND

Bodal Chemicals Limited ('the Company') is a public limited company incorporated in India. The registered office of the Company is located at Plot No. 123-124, Phase – I, G.I.D.C., Vatva, Ahmedabad - 382445, India.

The Company is engaged in the business of manufacturing of Dyes, Dye Intermediates and Basic Chemicals.

1 Significant Accounting Policies:

1.1 Statement of compliance:

The financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read along with Companies (Indian Accounting Standards) Rules, as amended and other provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Act.

1.2 Basis of Preparation of Financial Statements:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy as mentioned in note 1.28 hitherto in use.

In addition, the financial statements are presented in INR and all values are rounded to the nearest million except when otherwise indicated

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

1.3 Revenue Recognition:

a) Revenue from contracts with customer

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Company or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

b) Other income

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

Notes to the Financial Statements (Contd.)

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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

1.4 Lease

(i) Under Ind AS 116 Leases:

Effective from 1st April 2019, the Company adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on 1st April 2019 using the modified retrospective method on the date of initial application i.e. 1st April 2019.

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

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease are recognized payments associated with these leases as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of- use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be amortised over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

(ii) Under Ind AS 17 Leases:

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Notes to the Financial Statements (Contd.)

Refer Note 3 for details on transition to Ind AS 116 Leases.

1.5 Foreign currencies:

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

1.6 Employee Benefits:

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.7 Share Based Payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share based payments transactions are set out in Note 50.

Notes to the Financial Statements (Contd.)

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company`s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Employee Stock Options Outstanding Account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

1.8 Taxation:

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised 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 liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences 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 of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.9 Property, plant and equipment:

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Notes to the Financial Statements (Contd.)

Depreciation Methods, Estimated Useful Lives and Residual Value

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Useful lives of tangible assets

Estimated useful lives of the tangible assets are as follows:

Buildings	30-60 years
Plant & Machinery	20 years
Furniture & Fixtures	10 years
Vehicles	8-10 years
Office Equipments	3-5 years

Capital work in progress is stated at cost less accumulated impairment loss, if any.

1.10 Intangible Assets:

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

De-recognition of intangible assets

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Intangible assets are amortized on a straight-line basis over their technically assessed useful lives, as mentioned below:

Intangible Assets	Estimated Useful Lives (Years)
Software	5
License/Membership Fees	10
Website	5

1.11 Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Notes to the Financial Statements (Contd.)

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.12 Inventories:

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value after providing for obsolescence, if any. The comparison of cost and net realizable value is made on an item-by item basis.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.

Materials in transit are valued at cost-to-date.

1.13 Provision, Contingent Liabilities and Contingent Assets :

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not; require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

1.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly

Notes to the Financial Statements (Contd.)

transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.15 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

1.16 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortized cost

Notes to the Financial Statements (Contd.)

or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer paragraph of Impairment of financial assets.

A financial asset that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, refer paragraph of Impairment of financial assets.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset that do not meet the amortised cost criteria or FVTOCI criteria (see above) is measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Company, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets

Notes to the Financial Statements (Contd.)

measured at amortized cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the

Notes to the Financial Statements (Contd.)

part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

1.17 Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Finance costs' line item.

1.18 Derivative Financial Instrument and Hedge Accounting:

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

Recognition and measurement of fair value hedge:

Derivative financial instrument is initially recognised at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of derivative financial instrument is recognised in the Statement of Profit and Loss. Derivative financial instrument is recognised as a financial asset in the Balance Sheet if its fair value as at reporting dates is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

1.19 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of

Notes to the Financial Statements (Contd.)

transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.20 Operating Cycle:

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

1.21 Cash and Cash Equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

1.22 Borrowing Cost:

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, up to the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.23 Government grants and Subsidies:

Government grants are recognised when there is a reasonable assurance that the Company will comply with the conditions attached to them and grants will be received.

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Balance Sheet and transferred to Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in Statement of Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a governments grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

1.24 Offsetting of financial instruments:

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

1.25 Earnings per share:

Basic earnings per equity share is computed by dividing the net profit/(loss) attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive

Notes to the Financial Statements (Contd.)

potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

1.26 Use of Estimates

The preparation of the financial statements in conformity with Ind-AS requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialize.

1.27 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation (Note 1.6)
- Estimation of Useful life of Property, plant and equipment and intangibles (Note 1.9)
- Estimation of taxes (Note 1.8)
- Estimation of impairment (Note 1.11)

1.28 Change in Accounting Policies and Disclosures

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17, Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the Balance Sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1st April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1st April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

The effect of adoption Ind AS 116 as at 1st April 2019 (increase/ (decrease)) is, as follows:

Particulars	Amount (₹ in Million)
Assets	
Right-of-use Assets	0.52
Total Assets	**0.52**
Liabilities	
Lease liability obligation	0.52
Total Liabilities	**0.52**

The Company has lease contract for Leave Rights. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception

Notes to the Financial Statements (Contd.)

date as either a finance lease or an operating lease. Refer to Note 1.4(ii) Leases for the accounting policy prior to 1 April 2019.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to 1.4(i) Leases for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously classified as finance Leases

The Company did not have any finance leases.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application;
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Assets	Amount (₹ in Million)
Operating lease commitments as at 31st March 2019	-
Weighted average incremental borrowing rate as at 1st April 2019	10%
Discounted operating lease commitments as at 1st April 2019	0.52
Lease liabilities as at 1st April 2019	0.52

Adoption of the above standard did not have material financial impact on the Financial Statements of the Company.

1.29 Dividend distribution to equity shareholders

The Company recognises a liability to make dividend distributions to its equity holders when the distribution is authorised and the distribution is no longer at its discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

In case of Interim Dividend, the liability is recognised on its declaration by the Board of Directors.

2. PROPERTY, PLANT AND EQUIPMENT

(₹ in Million)

Particulars	Land (Freehold)	Factory Building	Office Building	Plant & Machinery	Furniture & Fixture	Office Equipment	Vehicles	Total
Gross Block								
Balance as at 31st March, 2018	**961.47**	**822.34**	**19.99**	**2,587.07**	**12.57**	**17.88**	**53.85**	**4,475.17**
Additions	88.57	335.74	0.07	895.00	6.36	6.36	16.85	1,348.95
Disposals	-	-	-	-	-	-	1.03	1.03
Balance as at 31st March, 2019	**1,050.04**	**1,158.08**	**20.06**	**3,482.07**	**18.93**	**24.24**	**69.67**	**5,823.09**
Additions	2.58	82.96	135.45	224.65	69.75	35.33	29.36	580.08
Disposals	-	-	-	1.66	-	0.01	10.96	12.63
Balance as at 31sth March, 2020	**1,052.62**	**1,241.04**	**155.51**	**3,705.06**	**88.68**	**59.56**	**88.07**	**6,390.54**

Particulars	Land (Freehold)	Factory Building	Office Building	Plant & Machinery	Furniture & Fixture	Office Equipment	Vehicles	Total
Accumulated Depreciation								
Balance as at 31st March, 2018	**-**	**60.36**	**1.26**	**271.32**	**4.73**	**7.39**	**15.05**	**360.11**
Additions	-	30.30	0.33	139.10	1.50	4.45	4.86	180.54
Disposals	-	-	-	-	-	-	0.42	0.42
Balance as at 31st March, 2019	**-**	**90.66**	**1.59**	**410.42**	**6.23**	**11.84**	**19.49**	**540.23**
Additions	-	39.74	1.78	176.41	4.17	8.73	7.21	238.04
Disposals	-	-	-	0.05	-	-	3.74	3.79
Balance as at 31sth March, 2020	**-**	**130.40**	**3.37**	**586.78**	**10.40**	**20.57**	**22.96**	**774.48**
Net Block								
Balance as at 31st March, 2019	1,050.04	1,067.42	18.47	3,071.65	12.70	12.40	50.18	5,282.86
Balance as at 31sth March, 2020	**1,052.62**	**1,110.64**	**152.14**	**3,118.28**	**78.28**	**38.99**	**65.11**	**5,616.06**

3. RIGHT OF USE ASSETS

Particulars	Building
GROSS CARRYING VALUE	
At 1st April 2019	-
Recognition on transition to Ind AS 116 (Refer Note 47)	0.52
At 31st March 2020	0.52
ACCUMULATED AMORTISATION	
At 1st April 2019	-
Amortisation Expense	0.26
At 31st March 2020	**0.26**
Net Carrying Value as at 31 March 2020	**0.26**

Notes to the Financial Statements (Contd.)

4. INTANGIBLE ASSETS

(₹ in Million)

	Computer Software	Membership Fees	Website*	Total
Gross Block				
Balance as at 31st March, 2018	**3.72**	**8.62**	**0.00**	**12.34**
Additions	1.42	0.51	-	1.93
Disposals	-	-	-	-
Balance as at 31st March, 2019	**5.14**	**9.13**	**0.00**	**14.27**
Additions	4.36	-	-	4.36
Disposals	-	-	-	-
Balance as at 31sth March, 2020	**9.50**	**9.13**	**0.00**	**18.63**
Accumulated Amortisation				
Balance as at 31st March, 2018	**2.40**	**3.41**	**0.00**	**5.81**
Additions	0.30	1.84	-	2.14
Disposals	-	-	-	-
Balance as at 31st March, 2019	**2.70**	**5.25**	**0.00**	**7.95**
Additions	1.40	0.97	-	2.37
Disposals	-	-	-	-
Balance as at 31sth March, 2020	**4.10**	**6.22**	**0.00**	**10.32**
Net Block				
Balance as at 31st March, 2019	**2.44**	**3.88**	**0.00**	**6.32**
Balance as at 31sth March, 2020	**5.40**	**2.91**	**0.00**	**8.31**

* amount below ₹ 5,000 denoted as 0.00

5. INVESTMENTS (NON-CURRENT)

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Quoted		
Investments in Equity Instruments - carried at FVTPL		
100 (P.Y. : 100) Equity Shares of Beta Nepthol Ltd. of ₹ 10/- Each Fully Paid Up	0.00	0.00
4,00,000 (P.Y. : 2,00,000) Equity Shares of Bhageria Industries Ltd. of ₹ 5/- Each Fully Paid Up	30.60	54.66
	30.60	**54.66**
Less : Impairment Loss	0.00	0.00
Total of Investments in Equity Instruments	**30.60**	**54.66**
Total of carrying value of Quoted Investments	**30.60**	**54.66**
Unquoted		
Investments in Equity Instruments		
Investment in Subsidiaries - carried at Cost		
1,13,634 (P.Y. : 1,13,634) Equity Shares of SPS Processors Pvt. Ltd. of ₹ 100/- Each Fully Paid Up.	40.91	40.91

Notes to the Financial Statements (Contd.)

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
10,000 (P.Y. : 10,000) Equity Shares of Bodal Chemicals Trading Pvt. Ltd. of ₹ 10/- Each Fully Paid Up.	0.10	0.10
Equity Shares of Bodal Chemicals Trading (Shijiazhuang) Co. Ltd.	13.14	1.73
163 (P.Y. : Nil) Equity Shares of Bodal Bangla Ltd.	1.39	-
1,87,00,000 (P.Y. : Nil) Equity Shares of (vi) Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	317.94	-
99,86,095 (P.Y. : 58,91,796) Equity Shares of Trion Chemicals Pvt. Ltd. of ₹ 10/- Each Fully Paid Up	117.63	58.92
Investments in Other Entities		
250 (P.Y. : 250) Equity Shares of Green Environment Ser. Co-op. Soc. Ltd. of ₹ 100/- Each Fully Paid Up	0.03	0.03
1,12,350 (P.Y. : 1,12,350) Equity Shares of Bharuch Enviro Infrastructure Ltd of ₹ 10/- Each Fully Paid Up	1.12	1.12
100 (P.Y. : 100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of ₹ 10/- Each Fully Paid Up	0.00	0.00
10 (P.Y. : 10) Equity Shares of The Bhagyodaya Co-op. Bank Ltd. of ₹ 100/- Each Fully Paid Up	0.00	0.00
10,200 (P.Y. : 10,200) Equity Shares of Panoli Enviro Technology Ltd. of ₹ 10/- Each Fully Paid Up	0.10	0.10
3,542 (P.Y. : 3,542) Equity Shares of Makarpura Ind. Est. Co-op. Bank Ltd. of ₹ 25/- Each Fully Paid Up	0.09	0.09
Total of Investments in Equity Instruments (Unquoted)	**492.45**	**103.00**
Investments in Preference Shares		
Investment in Subsidiary Company - carried at Cost		
46,00,000 (P.Y. : 39,86,670) 9% Non-Cumulative Non-Convertible Preference Shares of Trion Chemicals Pvt. Ltd. of ₹ 10/- Each Fully Paid Up	46.00	39.87
Total Investments in Preference Shares	**46.00**	**39.87**
Total carrying value of Unquoted Investments	**538.45**	**142.87**
Total carrying value of Non-Current Investments	**569.05**	**197.53**

amount below ₹ 5,000 denoted as 0.00

6. LOANS (NON-CURRENT)

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Unsecured and Considered Good)		
Loans to Employees	15.75	11.58
Loans to Subsidiary Companies (refer note 42)	1,868.32	978.30
Total	**1,884.07**	**989.88**

Notes to the Financial Statements (Contd.)

7. OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Security Deposits	26.81	25.97
Advance for Investments	-	17.06
Margin Money Deposits with Bank with maturity after twelve months from the reporting date*	0.73	3.44
Total	**27.54**	**46.47**

* Held as lien by bank against bank guarantees and letters of credit.

8. INCOME TAX ASSETS (NET)

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Income Tax Assets (Net)	104.60	105.83
Total	**104.60**	**105.83**

9. OTHER NON-CURRENT ASSETS

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Unsecured and Considered Good)		
Capital Advances	145.62	136.82
Balance with Statutory Authorities	7.72	31.58
Total	**153.34**	**168.40**

9.1 Capital Advances include ₹ 56.42 million - (P.Y. : ₹ 56.42 million) to related parties. (refer note 42)

9.2 Balance with Statutory Authorities includes balances with Excise, Service Tax, Sales Tax and Customs Dept.

10. INVENTORIES

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Valued at the lower of Cost or Net Realisable Value)		
a) Raw Materials	345.31	304.24
Raw Materials in Transit	87.13	62.68
	432.44	**366.92**
b) Finished Goods	380.32	238.37
Finished Goods in Transit	74.17	238.86
	454.49	**477.23**
c) Stock In Process	869.28	920.69

Notes to the Financial Statements (Contd.)

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	869.28	**920.69**
d) Stock In Trade	2.30	0.09
	2.30	**0.09**
e) Packing Materials	9.13	9.98
Packing Materials in Transit	0.06	0.22
	9.19	**10.20**
f) Stock of Fuel	12.24	9.12
	12.24	**9.12**
g) Stores and Spares	75.11	67.22
	75.11	**67.22**
Total	**1,855.05**	**1,851.47**

11. INVESTMENTS (CURRENT)

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Quoted		
Investments in Mutual Funds - carried at FVTPL		
Nil (P.Y. : 5,00,000) Units of Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth*	-	5.74
Total	**-**	**5.74**

* Held as lien by bank against bank guarantees and letters of credit.

12. TRADE RECEIVABLES

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade receivables		
Unsecured & Considered Good	3,712.71	2,903.35
Unsecured & Considered Doubtful	1.78	3.46
Less : Allowances for Credit Losses (refer note 38)	(1.78)	(3.46)
	3,712.71	**2,903.35**
Customers Bill Discounted	771.05	698.94
Other Trade Receivables	2,941.66	2,204.41
Total	**3,712.71**	**2,903.35**

12.1 Trade Receivables include ₹ 459.56 million (P.Y. : ₹ 15.06 million) to related parties. (refer note 42)

Notes to the Financial Statements (Contd.)

13. CASH AND BANK BALANCES

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash & Cash Equivalents		
Cash on Hand	2.05	3.51
Balance with Banks		
in Current Accounts	20.56	62.95
in Fixed Deposits	100.03	-
Total	**122.64**	**66.46**

14. OTHER BANK BALANCES

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Margin Money Deposits with Bank*	23.52	14.60
Unclaimed Dividend Accounts	3.35	2.38
Total	**26.87**	**16.98**

* Held as lien by bank against bank guarantees and letters of credit.

15. LOANS (CURRENT)

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Unsecured & Considered good)		
Loans to Employees	25.14	20.73
Inter-Corporate Loans	20.03	55.03
Total	**45.17**	**75.76**

16. OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Unsecured and considered good)		
Derivative Assets	-	26.57
Other Receivables	0.25	5.58
Total	**0.25**	**32.15**

Notes to the Financial Statements (Contd.)

17. OTHER CURRENT ASSETS

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Unsecured and considered good)		
Export Incentives Receivables	45.92	84.41
Advance to Suppliers	255.84	115.50
Balance with Statutory Authorities	106.89	192.94
Pre-paid Expenses	13.00	9.62
Gratuity Planned Assets	3.53	-
Others	2.34	2.70
Total	**427.52**	**405.17**

17.1 Balance with statutory authorities includes balances with GST, Excise and Customs Dept.

18. EQUITY SHARE CAPITAL

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Authorised Share Capital		
16,00,00,000 (P.Y. : 13,50,00,000) Equity Shares of ₹ 2/- each	320.00	270.00
2,00,00,000 (P.Y. : 2,50,00,000) Preference Share of ₹ 10/- each	200.00	250.00
	520.00	**520.00**
Issued, Subscribed & Paid up Share Capital		
12,23,30,165 (P.Y. : 12,21,88,765) Equity Shares of ₹ 2/- each	244.66	244.38
Total	**244.66**	**244.38**

18.1 Reconciliation of the number of Shares

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	No. of Shares	No. of Shares
Equity Shares		
Opening balance	12,21,88,765	12,21,88,765
Issue of Shares under ESOP	1,41,400	-
Closing balance	**12,23,30,165**	**12,21,88,765**

18.2 Rights, preferences and restrictions attached to shares

Equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

Notes to the Financial Statements (Contd.)

Preference shares

The Company has only one class of non-convertible, non-cumulative redeemable preference shares having a par value of ₹ 10/- per share. Each shareholder shall have a right to attend general meeting of the company and vote on resolutions directly affecting their interest. In the event of liquidation, the preference shareholders shall be entitled to a preferential right of return of the amount paid up on the shares, but shall not have any further right or claim over the surplus asset of the company.

18.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

(₹ in Million)

Name of Shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% held	No. of Shares	% held
Equity Shares :				
Shri Suresh J. Patel	3,71,12,857	30.34	3,71,12,857	30.37
Shri Bhavin S. Patel	1,04,96,342	8.58	1,04,96,342	8.59
Shri Ankit S. Patel	72,61,072	5.94	72,61,072	5.94

19. OTHER EQUITY

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital Reserves	76.12	76.12
Capital Redemption Reserve	289.67	289.67
Securities Premium		
At the commencement of the year	2,381.92	2,381.91
Add : Premium on shares issued under ESOP	24.25	-
At the end of the year	2,406.17	2,381.91
Employee Stock Options Outstanding Account (refer note 50)	11.06	18.06
General Reserve	138.86	138.86
Retained Earnings		
At the commencement of the year	5,203.20	3,884.76
Add :Profit during the year	1,021.67	1,440.65
Add :Remeasurements of Net Defined Benefit Plans (Net of tax)	15.11	(4.37)
	6,239.98	**5,321.04**
Less : Appropriations :		
Dividend on Equity Shares	97.86	97.75
Interim Dividend on Equity Shares	97.86	-
Tax on Dividends	40.23	20.09
	235.95	**117.84**
At the end of the year	6,004.03	5,203.20
Total	**8,925.91**	**8,107.82**

Notes to the Financial Statements (Contd.)

19.1 Nature and purpose of Reserves

Capital Reserves

Capital reserve is created and utilised in accordance with the provisions of the Act.

Capital Redemption Reserve

Capital redemption reserve created during redemption of Preference Shares and it is a non-distributable reserve.

Securities Premium

Securities Premium has been created consequent to issue of shares at premium. These reserves can be utilised in accordance with Section 52 of the Companies Act, 2013.

Employee Stock Options Outstanding Account

The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

General Reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes.

Retained Earnings

Retained earnings represents the amount of profits of the Company earned till date net of appropriation that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013.

20. PROVISIONS (NON-CURRENT)

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Gratuity (refer note 44)	-	4.10
Total	**-**	**4.10**

21. DEFERRED TAX LIABILITIES (NET)

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred Tax Liabilities		
Property, Plant and Equipment	388.32	462.34
Fair Value of Forward Contracts	-	9.28
Deferred Tax Assets		
Expense claimed for tax purpose on payment basis	(1.73)	(8.93)
Allowance for Doubtful Debts	(0.45)	(1.21)
Expenditure covered by section 35D of Income Tax Act, 1961	(6.51)	(13.57)
Employees Stock Options Outstanding	-	(6.31)
Fair Value of Quoted Equity Shares and Mutual Fund	(4.05)	(1.14)
Fair Value of Forward Contracts	(2.31)	-
Total	**373.27**	**440.46**

Notes to the Financial Statements (Contd.)

22. BORROWINGS (CURRENT)

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured		
Repayable on Demand		
Working Capital Loans from Banks	798.90	653.59
Unsecured		
Working Capital Loans from Banks	813.01	-
Loans From Directors	0.35	1.37
	1,612.26	654.96
Borrowing Bill Discounted (Secured)	771.05	698.94
Total	**2,383.31**	**1,353.90**

22.1 Secured Loan : Working capital loans from banks are secured by hypothecation of inventories, book debts and bills drawn under letters of credit and confirmed contracts and collaterally secured by equitable mortgage of immovable property and hypothecation of P & M of Unit-7, Unit-8 and Unit-10 of the Company.

23. TRADE PAYABLES

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	32.48	26.40
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1,916.29	1,899.97
Total	**1,948.77**	**1,926.37**

23.1 Trade Payables include ₹ 48.34 million (P.Y. : ₹ 49.44 million) to related parties (refer note 42)

24. OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unclaimed Dividends	3.35	2.38
Trade Deposits	8.71	7.77
Payable for Purchase of Property, Plant and Equipments	23.75	121.94
Derivative Liabilities	9.19	-
Other Payables	0.04	0.49
Total	**45.04**	**132.58**

Notes to the Financial Statements (Contd.)

25. OTHER CURRENT LIABILITIES

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance Received from Customers	47.90	28.72
Statutory Liabilities	62.99	105.75
Total	**110.89**	**134.47**

25.1 Statutory liabilities represent amounts payable towards GST, TDS, Professional Tax, Provident Fund and E.S.I.C.

26. PROVISIONS (CURRENT)

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Gratuity (refer note 44)	-	10.13
Total	**-**	**10.13**

27. INCOME TAX LIABILITIES (NET)

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Income Tax Liabilities (Net of Advance Taxes of ₹. 177.50 Million)	93.85	-
Total	**93.85**	**-**

28. REVENUE FROM OPERATIONS

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Sale of Products	11,997.97	13,550.66
Other Operating Income		
Export Incentives	108.05	219.00
Scrap Sales	12.10	19.82
Other Operating Income	6.26	4.14
Total	**126.41**	**242.96**
Total Revenue From Operations	**12,124.38**	**13,793.62**

Notes to the Financial Statements (Contd.)

29. OTHER INCOME

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Interest Income		
On Deposits	2.27	2.04
On Others	161.15	108.20
Profit on Sale of Current Investments (Net)	0.98	2.50
Reversal of Allowance for Doubtful Debts	1.68	2.76
Profit on Sale of Property, Plant & Equipment (Net)	-	0.25
Dividend Income	0.67	4.44
Liabilites no Longer Required Written Back	-	11.65
Other Income	26.94	14.91
Total	**193.69**	**146.75**

30. COST OF RAW MATERIALS CONSUMED

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Opening Stock - Raw Materials	366.92	294.65
Add: Purchases during the year	7,635.34	9,470.61
	8,002.26	**9,765.26**
Less : Closing Stock - Raw Materials	432.44	366.92
Total	**7,569.82**	**9,398.34**

31. PURCHASES OF STOCK IN TRADE

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Purchases of Stock in Trade	2.64	1.65
Total	**2.64**	**1.65**

Notes to the Financial Statements (Contd.)

32. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS & STOCK IN TRADE

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Inventories at the end of the year		
Finished Goods	454.49	477.23
Stock In Process	869.28	920.69
Stock - in Trade	2.30	0.09
Total (A)	**1,326.07**	**1,398.01**
Inventories at the beginning of the year		
Finished Goods	477.23	226.17
Stock In Process	920.69	528.67
Stock - in Trade	0.09	-
Total (B)	**1,398.01**	**754.84**
Changes In Inventories Of Finished Goods, Stock In Process & Stock in Trade (B) - (A)	**71.94**	**(643.17)**

33. EMPLOYEE BENEFITS EXPENSE

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Salaries, Wages & Bonus	692.23	512.57
Contribution to Provident & Other Funds (refer note 44)	34.64	26.96
Employee Share Based Payments (refer note 50)	10.47	14.20
Staff Welfare Expenses	40.14	38.54
Total	**777.48**	**592.27**

34. FINANCE COSTS

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Bank Interest	98.72	47.60
Other Interest Expenses	0.87	0.88
Bank Charges	16.27	20.82
Total	**115.86**	**69.30**

Notes to the Financial Statements (Contd.)

35. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Depreciation on Tangible Assets	238.04	180.54
Amortaisation of Right of Use of Assets	0.26	-
Amortisation on Intangible Assets	2.37	2.13
Total	**240.67**	**182.67**

36. OTHER EXPENSES

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Stores Consumption	74.80	45.00
Power & Fuel Consumption	635.10	645.48
Repairs to		
Machinery	226.16	235.17
Building	33.49	35.77
Others	0.03	0.61
Pollution Control Expenses	213.48	214.78
Rent & Taxes	8.40	6.62
Labour Charges	306.00	273.33
Insurance Expenses	24.38	8.86
Corporate Social Responsibility Expenses (refer note 48)	14.90	34.84
Directors' Sitting fees	0.58	0.43
Travelling & Vehicle Expense	37.92	30.87
Payment to Auditors (refer note 36.1)	2.28	1.90
Legal & Professional Fees	62.40	33.29
Loss on Sale of Property, Plant & Equipment	3.38	-
Fair Value Loss on Investments Measured through Profit or Loss	24.80	0.35
Exchange Rate Difference (Net)	75.70	20.69
Packing Material Consumption	159.60	143.46
Freight & Handling Charges	183.13	190.92
Advertisement & Business Promotion Expenses	18.01	19.10
Sales Commission	117.42	98.84
Other Expenses	94.07	74.26
Total	**2,316.03**	**2,114.57**

Notes to the Financial Statements (Contd.)

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
36.1 Payment to Auditors include (excluding GST) as below:		(₹ in Million)
	Year ended 31st March 2020	**Year ended 31st March 2019**
I) As Statutory Auditors	2.20	1.90
II) Certification Matters	0.04	-
III) Out of Pocket Expense, etc.	0.04	-

Additional Disclosure requirement:

37. FAIR VALUE MEASUREMENT

The carrying value of Financial instrument classification by Categories

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial Assets		
Financial Assets measured at fair value through profit and loss		
Investments in Quoted Equity Shares	30.60	54.66
Investments in Quoted Mutual Fund	-	5.74
Derivative Assets	-	26.57
Financial Assets measured at amortised cost		
Investments in Unquoted Equity Shares	538.45	142.87
Loans	1,929.24	1,065.64
Trade Receivables	3,712.71	2,903.35
Cash and Cash Equivalents	122.64	66.46
Other Bank Balances	26.87	16.98
Other Financial Assets	27.79	52.05
Total Financial Assets	**6,388.30**	**4,334.32**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial Liabilities		
Financial Liabilities measured at fair value through profit and loss		
Derivative Liabilities	9.19	-
Financial Liabilities measured at amortised cost		
Borrowings	2,383.31	1,353.90
Lease Liabilities	0.25	-
Trade Payables	1,948.77	1,926.37
Other Financial Liabilities	35.85	132.58
Total Financial Liabilities	**4,377.37**	**3,412.85**

Notes to the Financial Statements (Contd.)

Fair Value Hierarchy

(₹ in Million)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets measured at fair value 31st March 2020				
Financial Assets				
Measured at fair value through profit or loss				
Investments in quoted equity shares	30.60	-	-	30.60
Financial Liabilities				
Derivative Liabilities	-	9.19	-	9.19

(₹ in Million)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets and liabilities measured at fair value 31st March 2019				
Financial Assets				
Measured at fair value through profit or loss				
Investments in quoted equity shares	54.66	-	-	54.66
Investments in quoted mutual fund	5.74	-	-	5.74
Derivative Assets	-	26.57	-	26.57

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, borrowings, trade payables and other financial liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

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

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- ✓ the use of quoted market prices or dealer quotes for similar instruments
- ✓ the fair value of forward foreign exchange contracts is determined using forward exchange rates at the Balance Sheet date
- ✓ The fair value of investments in Mutual Fund Units is based on Net Asset Value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet Date. NAV represents the price at which the issuer will issue further units of Mutual Fund and the price at which issuers will redeem such units from investors.

Notes to the Financial Statements (Contd.)

38. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the impact of hedge accounting in the financial statements

Risk

Credit Risk

Liquidity Risk

Market Risk

- Foreign Exchange Risk
- Interest Rates
- Security Price

(A) Credit Risk Management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables.

Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

The Company is making provision on trade receivables based on Expected Credit Loss Model (ECL) as below:

No. of Days for which amount is due	<=60 Days	61-120 Days	121-180 Days	181-360 Days	>360 Days
% of Provision	0%	0.25%	0.50%	0.75%	1%

Reconciliation of loss allowance provision

(₹ in Million)

Reconciliation of Loss Allowance	2019-20	2018-19
Opening Balance	3.46	6.22
(Reversal) / Recognition of loss allowance measured as per ECL	(1.68)	(2.76)
Closing Balance (As reported in Note 12)	1.78	3.46

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability at all times.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring Balance Sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Notes to the Financial Statements (Contd.)

Maturities of financial instruments as on 31st March 2020 (₹ in Million)

	Within 12 months	After 12 months
Financial Assets		
Investments	-	569.05
Trade Receivables	3,712.71	-
Other Bank Balances	26.87	-
Loans	45.17	1,884.07
Other Financial Assets	0.25	27.54
Financial Liabilities		
Borrowings	2,383.31	-
Lease Liabilities	0.25	-
Trade Payables	1,948.77	-
Other Financial Liabilities	45.04	-

Maturities of financial instruments as on 31st March 2019 (₹ in Million)

	Within 12 months	After 12 months
Financial Assets		
Investments	5.74	197.53
Trade Receivables	2,903.35	-
Other Bank Balances	16.98	-
Loans	75.76	989.88
Other Financial Assets	32.15	46.47
Financial Liabilities		
Borrowings	1,353.91	-
Trade Payables	1,926.37	-
Other Financial Liabilities	132.58	-

(C) Market Risk Management

i) Foreign Currency Risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US$ and EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

(A) Foreign currency risk exposure

(₹ in Million)

Particulars	31st March 2020		31st March 2019	
	USD	EUR	USD	EUR
Financial Assets				
Trade Receivables	13.54	-	12.78	-
Loan	1.03	-	-	-
Financial Liabilities				
Trade Payables	3.55	0.03	3.15	0.00
Borrowings	20.36	-	15.30	-
Net Exposure	**(9.34)**	**(0.03)**	**(5.67)**	**(0.00)**

Notes to the Financial Statements (Contd.)

(B) Foreign currency forward contract outstanding as at the Balance Sheet date.

(₹ in Million)

Particulars	As At 31st March 2020		As At 31st March 2019	
	Sell	Buy	Sell	Buy
Forward contact USD	3.70	-	15.05	-

The forward contracts have been entered into to hedge the foreign currency risk on trade receivables and borrowings.

(C) Sensitivity (+/-5%)

(₹ in Million)

Currency	2019-20			2018-19		
	Movement in Rate	Impact on PAT	Impact on Other Equity	Movement in Rate	Impact on PAT	Impact on Other Equity
USD	5.00%	(26.36)	(26.36)	5.00%	(12.76)	(12.76)
USD	-5.00%	26.36	26.36	-5.00%	12.76	12.76
EUR	5.00%	(0.10)	(0.10)	5.00%	(0.00)	(0.00)
EUR	-5.00%	0.10	0.10	-5.00%	0.00	0.00

Note: Amount below ₹ 5,000 is denoted as 0.00

ii) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March 2020 and 31st March 2019, the Company's borrowings at variable rate were mainly denominated in INR & USD.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

(Amount in ₹)

Particulars	31st March 2020	31st March 2019
Variable Rate borrowings	2,382.96	1,352.54
Fixed Rate Borrowings	-	-

Notes to the Financial Statements (Contd.)

At the end of reporting period the Company had the following variable rate borrowings.

(₹ in Million)

Particulars	31st March 2020			31st March 2019		
	Average Interest Rate	Balance	%of Total Loan	Average Interest Rate	Balance	%of Total Loan
Cash Credit Facility	8.77%	402.62	16.90%	8.96%	296.65	21.93%
Working Capital Loan Facility	8.33%	450.00	18.88%	-	-	-
Packing Credit Facility	3.13%	648.49	27.21%	3.32%	356.95	26.39%
Buyers Credit Facility	2.44%	110.80	4.65%	-	-	-
Bills Discounting Facility	3.13%	771.05	32.36%	3.32%	698.94	51.68%
Net Exposure		2,382.96	100%		1,352.54	100%

Sensitivity (+/- 1%)

(₹ in Million)

	Movement in Rate	As at	
		31st March 2020	31st March 2019
Interest rates	1.00%	17.72	8.80
Interest rates	-1.00%	(17.72)	(8.80)

iii) Security Price Risk

The Company's exposure to securities price risk arises from investments held by the Company and classified in the Balance Sheet at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Sensitivity (+/-5%)

(₹ in Million)

Particulars	Investment in Quoted Securities			
	31st March 2020		31st March 2019	
Movement in Rate	5%	-5%	5%	-5%
Impact on PAT	1.14	(1.14)	1.85	(1.85)

39. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to

- ✓ safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- ✓ Maintain an optimal capital structure to reduce the cost of capital.

Notes to the Financial Statements (Contd.)

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the Balance Sheet).

Particulars	31st March 2020	31st March 2019
Net Debt	2,260.67	1,287.44
Total Equity	9,601.82	8,352.20
Debt Equity Ratio	0.24	0.15

40. INCOME TAXES

(₹ in Million)

Particulars	31st March 2020	31st March 2019
Current Tax	271.34	613.90
Taxes of earlier years	3.01	4.47
Deferred Tax	(72.39)	165.72
Total Tax Expenses (excluding deferred tax benefit on OCI)	**201.96**	**784.09**

Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate

(₹ in Million)

Particulars	31st March 2020	31st March 2019
Profit Before Tax	**1,223.63**	**2,224.74**
Statutory Tax Rate (%)	25.168%	34.944%
Tax at statutory rate	**307.96**	**777.41**
Effect of income that is exempt from tax	(0.17)	(1.55)
Effect of expenses that are not deductible in determining taxable profit	17.60	13.64
Effect of tax on special rate income	3.34	(1.25)
Effect of tax deduction under section 35AC, 35(i) (ii) & 80G, 80GGB	(1.04)	(9.20)
Effect of deferred tax balances due to change in income tax rate from 34.944 %to 25.168% (effective 01.04.19)	(123.54)	-
Deferred Tax on other comprehensive income	(5.21)	2.34
Others	0.01	(1.77)
	198.95	**779.62**
Adjustments recognised in the current year in relation to the current tax of prior years	3.01	4.47
Income tax expense recognised in profit or loss	201.96	784.09
Effective Tax Rate	**16.50%**	**35.24%**

Notes to the Financial Statements (Contd.)

40.1 Movement in deferred tax assets and liabilities

(₹ in Million)

Particulars	As at 1st April 2019	Credit/(charge) in the Statement of Profit and Loss	Credit / (charge) in Other Comprehensive Income	As at 31st March 2020
Deferred Tax Assets/(Liabilities)				
Property, Plant and Equipment	(462.34)	74.02	-	(388.32)
Fair Value of Forward Contracts	(9.29)	11.60	-	2.31
Expense claimed for tax purpose on payment basis	8.93	(1.99)	(5.21)	1.73
Expenditure covered by section 35D of Income Tax Act, 1961	13.57	(7.06)	-	6.51
Employees Stock Options Outstanding	6.31	(6.31)	-	-
Fair Value of Quoted Equity Shares and Mutual Fund	1.15	2.90	-	4.05
Allowance for Doubtful Debts	1.21	(0.76)	-	0.45
Total	**(440.46)**	**72.40**	**(5.21)**	**(373.27)**

41. SEGMENT INFORMATION

The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per IND AS 108 – 'Operating Segments'. The Company is principally engaged in a single business segment viz., "Dyes, Dyes Intermediates and Basic Chemicals".

The geographical segment has been considered for disclosure as secondary segment.

Two secondary segments have been identified based on the geographical locations of customers i.e. domestic and export. Information about geographical segments are as below.

1. Information about Geographical Areas

(₹ in Million)

Particulars	2019-2020			2018-2019		
	Domestic Operations	External Operations	Total	Domestic Operations	External Operations	Total
Segment Revenue	7,159.31	4,965.07	12,124.38	7,839.70	5,953.92	13,793.62
Carrying Cost of Segment Assets	13,427.93	1,129.27	14,557.20	11,470.06	884.15	12,354.21

2. Information about Major Customers

No customers individually accounted for 10% or more revenue during financial year ending on 31st March 2020 and 31st March 2019

Particulars	2019-20	2018-19
Revenue from Top Customer	6%	9%
Revenue from Top 5 consumers	23%	29%

Notes to the Financial Statements (Contd.)

42. RELATED PARTY TRANSACTIONS:

(a) List of Related Parties

I. Key Management Personnel (KMP)

1.	Shri Suresh J. Patel	Chairman& Managing Director
2.	Shri Bhavin S. Patel	Executive Director
3.	Shri Ankit S. Patel	Executive Director
4.	Shri Mayur B. Padhya	Chief Financial Officer
5.	Shri Ashutosh B. Bhatt	Company Secretary
6.	Shri Bipin R. Patel	Independent Director (Upto 25th October 2018)
7.	Shri Nalin Kumar	Independent Director
8.	Smt. Neha Huddar	Independent Director
9.	Shri Sunil K. Mehta	Independent Director
10.	Shri Parin D. Shah	Independent Director (Upto 5th July 2019)
11.	Shri Kishorkumar Radadiya	Director (w.e.f 1st September 2019 & up to 29th February 2020)
12.	Shri Ramprasad Shrivastava	Independent Director (w.e.f. 13th August 2019)

II. Enterprise under significant influence of key management personnel (Enterprise)

(i) Shanti Inorgo Chem (Guj.) Pvt. Ltd.

III. Subsidiary Company (SC)

(i) SPS Processors Pvt. Ltd.

(ii) Trion Chemicals Pvt. Ltd. (w.e.f 1st July 2018 – Associate concern upto 30th June 2018)

(iii) Bodal Chemicals Trading Private Ltd. (w.e.f. 7th December 2018)

(iv) Bodal Chemicals Trading (Shijiazhuang) Co., Ltd. (w.e.f. 3rd January 2019)

(v) Bodal Bangla Ltd. (w.e.f. 22nd September 2019)

(vi) Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd. (w.e.f 8th August 2019)

(vii) Senpa Dis Ticaret Anonim Sirketi (step down subsidiary w.e.f 5th December 2019)

Notes to the Financial Statements (Contd.)

a) Transactions with related parties

(₹ in Million)

Related party disclosure	Relationship	2019-2020	2018-2019
Remuneration			
Shri Suresh J. Patel	KMP	16.20	10.80
Shri Bhavin S. Patel	KMP	10.80	7.20
Shri Ankit S. Patel	KMP	10.80	7.20
Shri Kishorkumar Radadiya	KMP	1.66	-
Shri Mayur B. Padhya	KMP	4.87	4.39
Shri Ashutosh B. Bhatt	KMP	1.07	0.92
Employees Stock Option			
Shri Mayur B. Padhya	KMP	0.76	-
Shri Ashutosh B. Bhatt	KMP	0.14	-
Director Commission			
Shri Suresh J. Patel	KMP	38.40	43.50
Shri Bhavin S. Patel	KMP	27.50	32.50
Shri Ankit S. Patel	KMP	27.50	32.50
Directors' Sitting Fees			
Shri Bipin R. Patel	KMP	-	0.08
Shri Nalin Kumar	KMP	0.18	0.10
Smt. Neha Huddar	KMP	0.17	0.10
Shri Sunil K. Mehta	KMP	0.16	0.13
Shri Parin D. Shah	KMP	0.03	0.02
Shri Ramprasad Shrivastava	KMP	0.05	-
Loan Given			
Trion Chemicals Pvt. Ltd.	SC	334.09	259.68
SPS Processors Pvt. Ltd.	SC	757.45	427.12
Bodal Chemicals Trading Pvt. Ltd.	SC	321.45	84.47
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	SC	70.97	-
Loan Received Back			
Trion Chemicals Pvt. Ltd.	SC	100.84	19.85
SPS Processors Pvt. Ltd.	SC	122.44	201.91
Bodal Chemicals Trading Pvt. Ltd.	SC	372.82	0.03
Loan Received			
Shri Suresh J. Patel	KMP	55.00	53.70
Shri Bhavin S. Patel	KMP	12.20	8.55
Shri Ankit S. Patel	KMP	128.50	11.85
Loan Repaid			
Shri Suresh J. Patel	KMP	54.99	173.80
Shri Bhavin S. Patel	KMP	12.49	8.23
Shri Ankit S. Patel	KMP	129.24	15.30

Notes to the Financial Statements (Contd.)

(₹ in Million)

Related party disclosure	Relationship	2019-2020	2018-2019
Purchases of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	9.92	10.17
SPS Processors Pvt. Ltd.	SC	104.23	606.70
Bodal Chemicals Trading Pvt. Ltd.	SC	66.23	2.99
Trion Chemicals Pvt. Ltd.	SC	0.01	0.00
Purchases of Other Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	-	0.06
SPS Processors Pvt. Ltd.	SC	-	0.04
Trion Chemicals Pvt. Ltd.	SC	0.04	0.18
Rent Expense			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	-	0.60
Dividend Paid			
Shri Suresh J. Patel	KMP	59.38	28.36
Shri Bhavin S. Patel	KMP	16.79	7.57
Shri Ankit S. Patel	KMP	11.62	5.48
Shri Mayur B. Padhya	KMP	0.29	0.14
Shri Ashutosh B. Bhatt	KMP	0.00	-
Proceeds from Redemption of Pref. Shares			
Trion Chemicals Pvt. Ltd.	AC	-	35.13
Interest Income			
Trion Chemicals Pvt. Ltd.	SC	65.18	39.26
Bodal Chemicals Trading Pvt. Ltd.	SC	11.53	0.32
SPS Processors Pvt. Ltd.	SC	73.97	17.83
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	SC	2.17	-
Sales of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	38.26	56.06
Trion Chemicals Pvt. Ltd.	SC	0.24	0.12
SPS Processors Pvt. Ltd.	SC	20.84	63.23
Bodal Chemicals Trading Pvt. Ltd.	SC	0.13	-
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	SC	395.07	-
Bodal Chemicals Trading (Shijiazhuang) Co., Ltd.	SC	48.58	-
Sales of Other Materials			
Trion Chemicals Pvt. Ltd.	SC	0.45	-
Related Party Balances as at the year end.			
Amount Payable			
As Unsecured Loan			
Shri Suresh J. Patel	KMP	0.19	0.17
Shri Bhavin S. Patel	KMP	0.06	0.35
Shri Ankit S. Patel	KMP	0.10	0.85

Notes to the Financial Statements (Contd.)

(₹ in Million)

Related party disclosure	Relationship	2019-2020	2018-2019
As Trade Payables			
Bodal Chemicals Trading Pvt. Ltd.	SC	0.82	-
SPS Processors Pvt. Ltd.	SC	-	16.08
Shri Suresh J. Patel	KMP	16.63	12.01
Shri Bhavin S. Patel	KMP	14.03	10.23
Shri Ankit S. Patel	KMP	16.44	10.88
Shri Kishorkumar Radadiya	KMP	0.15	-
Shri Mayur B. Padhya	KMP	0.19	0.17
Shri Ashutosh B. Bhatt	KMP	0.08	0.07
As Investment			
As Equity shares			
Trion Chemicals Pvt. Ltd.	SC	117.63	58.92
SPS Processors Pvt. Ltd.	SC	40.91	40.91
Bodal Chemicals Trading Pvt. Ltd.	SC	0.10	0.10
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	SC	317.94	-
Bodal Chemicals Trading (Shijiazhuang) Co. Ltd.	SC	13.14	1.73
Bodal Bangla Ltd.	SC	1.39	-
As Preference shares			
Trion Chemicals Pvt. Ltd.	SC	46.00	39.87
Amounts Receivable			
As Trade Receivables			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	11.58	15.06
SPS Processors Pvt. Ltd.	SC	73.03	-
Trion Chemicals Pvt. Ltd.	SC	0.76	-
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	SC	357.53	-
Bodal Chemicals Trading (Shijiazhuang) Co., Ltd.	SC	16.66	-
As Capital Advance			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	56.42	56.42
As Loan to Subsidiary			
SPS Processors Pvt. Ltd.	SC	971.38	336.37
Trion Chemicals Pvt. Ltd.	SC	790.42	557.17
Bodal Chemicals Trading Pvt. Ltd.	SC	33.38	84.76
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	SC	73.14	-

Notes:-

(i) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

Notes to the Financial Statements (Contd.)

43. EARNINGS PER SHARE

Particulars	2019-20	2018-19
Net Profit/(Loss) after Tax as per statement of Profit and Loss (₹ in Million)	1,021.67	1,440.65
Weighted average number of Equity Shares	12,23,30,165	12,21,88,765
Basic EPS (₹)	8.35	11.78
Diluted EPS (₹)	8.35	11.77
Nominal Value per Share (₹)	2	2

43.1 Details used in calculation of Diluted EPS

	2019-20	2018-19
Net Profit/(Loss) after Tax as per statement of Profit and Loss (₹ in Million)	1,021.67	1,440.65
Nominal Value per Share (₹)	2	2
Weighted average number of Equity Shares used for Basic EPS	12,23,30,165	12,21,88,765
Share deemed to be issued in respect of employee options & Share Warrants	-	83,755
Weighted average number of Equity Shares used for diluted EPS	12,23,30,165	12,22,72,520

Notes :

For the year ended 31st March 2020, number of options (Equity Share Warrants* & Employee Stock Options@) to purchase equity shares had an anti-dilutive effect.

* Refer note 55

@ Refer note 50

44. EMPLOYEE BENEFITS

Defined Contribution Plan

(₹ in Million)

Particulars	2019-20	2018-19
Employer's contribution to Provident Fund	23.65	18.84
Employer's contribution to E.S.I.C.	5.18	2.00

Defined Benefits Plan

Gratuity: The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of qualifying insurance policy.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements based on actuarial valuations being carried out as at 31st March 2020.

Notes to the Financial Statements (Contd.)

Balance Sheet disclosures

(a) The amounts disclosed in the Balance Sheet and the movements in the defined benefit obligation over the year:

(₹ in Million)

Particulars	31st March 2020	31st March 2019
Liability at the beginning of the year	64.77	48.88
Interest Costs	4.72	3.63
Current Service Costs	10.10	8.02
Benefits paid	(1.30)	(1.37)
Actuarial (Gain)/Loss on obligations due to change in		
- Demography	(0.04)	-
- Financials	(19.40)	1.03
- Experience	(1.45)	4.58
Liability at the end of the year	**57.40**	**64.77**

(b) Movements in the fair value of plan assets

Particulars	31st March 2020	31st March 2019
Fair value of plan assets at the beginning of the year	50.54	43.54
Interest Income	4.03	3.53
Expected return on plan assets	(0.57)	(1.11)
Contributions	8.23	5.95
Benefits paid	(1.30)	(1.37)
Fair value of plan assets at the end of the year	**60.93**	**50.54**

The entire funds on the plan assets are managed by insurer i.e. Life Insurance Corporation of India.

(c) Net liability disclosed above relates to

Particulars	31st March 2020	31st March 2019
Fair value of plan assets at the end of the year	60.93	50.54
Liability as at the end of the year	57.40	64.77
Net (Liability)/Asset	3.53	(14.23)
Non-Current Portion	-	(4.10)
Current Portion	3.53	(10.13)

(d) Balance Sheet Reconciliation

Particulars	31st March 2020	31st March 2019
Opening Net liability	14.23	5.34
-Expenses recognised in the statement of P&L	10.79	8.13
-Expenses/(Income) recognised in the OCI	(20.32)	6.71
-Employer's Contribution	(8.23)	(5.95)
Amount recognised in the Balance Sheet	(3.53)	14.23

Notes to the Financial Statements (Contd.)

Profit & Loss Disclosures

(a) Net interest Cost for Current period

Particulars	31st March 2020	31st March 2019
Interest Cost	4.72	3.63
Interest Income	4.03	3.52
Net interest Cost/(Income)	0.69	0.11

(b) Expenses recognised in the profit & loss

Particulars	31st March 2020	31st March 2019
Net Interest Cost	0.69	0.11
Current Service Cost	10.10	8.02
Past service cost and loss/(gain) on curtailments and settlement	-	-
Expenses recognised in the profit & loss	10.79	8.13

(c) Expenses recognised in the Other Comprehensive Income

Particulars	31st March 2020	31st March 2019
Remeasurement		
Expected return on plan assets	0.57	1.11
Actuarial (Gain) or Loss	(20.89)	5.60
Net (Income) / Expenses recognised in OCI	(20.32)	6.71

Sensitivity Analysis

Particulars	31st March 2020	31st March 2019
Projected Benefit obligation on current assumptions		
Data effect of change in Rate of		
- Discounting by +0.5%	54.85	61.44
- Salary Increase by +0.5%	60.03	67.69
- Employee Turnover by +10%	58.09	64.85
Data effect of change in Rate of		
- Discounting by -0.5%	60.17	68.40
- Salary Increase by -0.5%	54.97	61.95
- Employee Turnover by +10%	56.66	64.65

Significant Actuarial Assumptions

Particulars	31st March 2020	31st March 2019
Discount Rate	6.85%	7.55%
Salary Escalation	4.00%	8.00%
Attrition Rate	2%-10%	2%-10%

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

Notes to the Financial Statements (Contd.)

The rate used to discount other long term employee benefit obligation (both funded and unfunded) is determined by reference to market yield at the Balance Sheet date on high quality corporate bonds. The currency and term of the corporate bond or government bond is consistent with currency and estimated term of the post employment benefit obligation.

The estimated term of the Obligation is around 11.40 years. The yields on the government bonds as at the valuation date were 6.85% (P.Y. 7.55%).

45. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Million)

Particulars	As at 31st March 2020	As at 31st March 2019
(a) Contingent Liabilities		
1) Disputed matters in appeals/contested in respect of:		
i. Income Tax	69.93	67.14
ii. Excise	31.67	30.90
iii. Service Tax	3.42	3.42

Future cash outflows in respect of the above are determinable only on receipt of Judgments /decisions pending with various forums/authorities. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

2) Letter of Credit issued by bankers and outstanding	107.39	104.98
(b) Commitments		
i. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances.	26.09	32.33

46. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in Million)

Particulars	As at 31st March 2020	As at 31st March 2019
a. Principal and interest amount remaining unpaid	32.48	26.40
b. Interest due thereon remaining unpaid	-	-
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-

Notes to the Financial Statements (Contd.)

(₹ in Million)

Particulars	As at 31st March 2020	As at 31st March 2019
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
e. Interest accrued and remaining unpaid	-	-
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

47. TRANSITION TO IND AS 116 'LEASES'

With effect from 1st April 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to lease contracts existing on the date of initial application using the modified retrospective approach. The Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the Balance Sheet as on 31st March 2020. There is no impact on retained earnings as on 1st April 2019.

Disclosure under Ind AS 116 Leases:

(₹ in Million)

Particulars	Amount
Balance as at 1st April 2019	-
Lease Liabilities on account of adoption of Ind AS 116	0.52
Finance Costs incurred during the year	0.05
Net Payments of Lease Liabilities	(0.32)
Balance as at 31st March 2020	0.25

48. CORPORATE SOCIAL RESPONSIBILITY EXPENSES

a. Gross amount required to be spent by the Company during the year 2019-20 ₹ 40.70 Million (Previous year – ₹ 34.84 Million)

b. Amount spent during the year on :

(₹ in Million)

Particulars	2019-20	2018-19
i) Construction / Acquisition of any Assets	-	-
ii) Purposes other than (i) above	14.90	34.84

Represents actual outflow during the year.

c. Amount unspent during the year ₹ 25.80 Million (P.Y.: ₹ Nil)

Notes to the Financial Statements (Contd.)

49. Process for closing the Manufacturing facilities of the Company in Gujarat were started on 22nd March 2020 following countrywide lockdown due to COVID-19. The Company has since obtained required permissions and restarted its manufacturing facilities partially on 11th May, 2020. Based on the immediate assessment of the impact of COVID-19 on the operations of the Company and on-going discussions with customers, vendors and service providers, the Management as of now believes of its ability to serve customers, obtain regular supply of raw materials and logistics services after resumption of the operations. In assessing recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, and internal and external information available up to the date of issuance of these Financial Statements. In assessing recoverability of inventories, the Company has considered the latest selling prices and customers' orders on hand. The Company believes that there is no impact on its ability to meet its liabilities as and when they fall due. There is no material change in the internal control environment of the Company. However, the extent and duration of COVID-19 is currently unknown and depends on future developments that are uncertain. Any resultant outcome and impact on business, due to this, is unpredictable. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of the assets including investments, loans and other receivables, the management has used internal and external sources of information to the extent determined by it, including economic forecasts as at the date of approval of these financial statements. The impact of the same may differ from that estimated as at the date of approval of these financial statements due to the impact of the pandemic and the Company will continue to closely monitor the developments.

50. SHARE BASED PAYMENTS

a) The Company initiated the "ESOP 2017" for all eligible employees in pursuance of the special resolution approved by the Shareholders in the Annual General Meeting held on 23rd September 2017. The Scheme covers eligible employees (except promoters or those belonging to the promoters' group, independent directors and directors who either by himself or through his relatives or through any body-corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company). Under the Scheme, the Nomination and Remuneration Committee of directors of the Company, administers the Scheme and grants stock options to eligible directors or employees of the Company. The Committee determines the employees eligible for receiving the options and the number of options to be granted subject to overall limit of 1,000,000 options.

Option	Number of shares granted	Grant Date	Expiry Date	Exercise Price (₹)	Fair Value of the option (₹)
ESOP 2017 – II	162,900	21/05/2019	20/05/2021	50	68.09
ESOP 2017 - III	163,900	12/02/2020	11/02/2022	10	66.40

b) Compensation Expenses arising on account of the Share Based Payments

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Employee Share Based Payments (refer note 33)	10.47	14.20

Notes to the Financial Statements (Contd.)

The relevant details of the Scheme are as under:

Particulars	Grant I	Grant II	Grant III
Date of Grant	13/01/2018	21/05/2019	12/02/2020
Date of Board/NRC Approval	13/01/2018	21/05/2019	12/02/2020
Date of Shareholders' Approval	23/09/2017	23/09/2017	23/09/2017
No. of Options Granted	146,200	162,900	163,900
Method of Settlement	Equity	Equity	Equity
Vesting Period	1 Year	1 Year	1 Year
Fair Value on the date of Grant	123.52	68.09	66.40
Exercise Period	1 Year	1 Year	1 Year
Vesting Conditions	As per Policy approved by Shareholders	As per Policy approved by Shareholders	As per Policy approved by Shareholders

Set out below is a summary of options granted under the plan:

Particulars	Grant I	Grant II	Grant III
Options Outstanding at the beginning of the year	146,200	-	-
Options granted during the year	-	162,900	163,900
Options exercised during the year	141,400	-	-
Options lapsed during the year	4,800	-	-
Options Outstanding at the end of the year	-	162,900	163,900

Particulars	Grant I	Grant II	Grant III
Date of Grant	13/01/2018	21/05/2019	12/02/2020
Stock Price at the date of grant	168.70	115.40	76.45
Exercise Price	50.00	50.00	10.00
Expected Volatility	31.00%	42.83%	46.11%
Expected Life of the Option	1 Year	1 Year	1 Year
Risk Free Interest Rate	7.45%	7.30%	7.74%
Weighted average fair value of options granted during the year	123.52	68.09	66.40

51. The Company acquired further shares in Trion Chemicals Private Limited ("Trion") and raised its shareholding to 100% during the month of March, 2020. Accordingly Trion has been considered as a wholly Owned Subsidiary of Bodal Chemicals Ltd.

A Scheme of Amalgamation of Trion Chemicals Private Limited (a wholly owned subsidiary) with the Company (the "Scheme") has been approved by the Board of Directors of the Company at their meeting held on 27th May 2020, with appointed date of 1st April 2019. The Scheme is yet to be filled with the National Company Law Tribunal (NCLT). Pending the necessary regulatory approvals, the effect of the Scheme has not been given in the financial statements.

52. ACQUISITION OF SEN-ER BOYA KIMYA TEKSTIL SAN. TIC. LTD.

52.1 During the year, the Company has acquired 80% stake in Sen-Er Boya Kimya Tekstil San.Tic. Ltd (Sen-er) and Sen-er becomes subsidiary company of the Company.

52.2 During the year, Sen-er incorporated Senpa Dis Ticaret Anonim Sirketi (Sen-pa) as a wholly owned subsidiary at Istanbul, Turkey on 05th December 2019. Hence, Sen-pa is the step down subsidiary of Bodal Chemicals Ltd.

Notes to the Financial Statements (Contd.)

53. During the year, the Company has incorporated a wholly owned subsidiary named Bodal Bangla Ltd. in Bangladesh.

54. During the year, the Company has added ₹ 11.41 Million as Capital in Bodal Chemicals Trading (Shijiazhuang) Co., Ltd. (wholly owned subsidiary of the Company).

55. MONEY RECEIVED AGAINST SHARE WARRANTS:

In terms of approval of shareholders of the Company through postal ballot, of which result has been declared on 28th June 2019, and as per the applicable provisions of Securities and Exchange Board of India (ICDR) Regulations, 2018, the Company has allotted 1,50,00,000 warrants on preferential basis on 12th July 2019, to promoters' group and non-promoters at ₹ 115/- each to be converted into equal number of equity shares of ₹ 2/- each at a premium of ₹ 113/- per share on exercise of the option of conversion by the warrant holders within 18 months from the date of the allotment of warrants i.e. 12th July 2019.

As per terms and conditions of said issue, the Company has received ₹ 28.75 per warrant i.e. 25% of ₹ 115/-, aggregating ₹ 431.25 Million for allotment of warrants from allottees.

Further, if warrant holders fail to pay balance money to exercise his/her right to convert the warrant into equity shares within 18 months, option attached to equity shares warrant shall stand lapsed and upfront payment of 25% money shall be fortified.

56. Disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

Loans and advances in the nature of Loans to subsidiaries.

(₹ in Million)

Sr. No.	Name of the Company (Subsidiary)	Outstanding Amount		Maximum amount outstanding during the year	
		As at 31st March 2020	As at 31st March 2019	2019-20	2018-19
1	SPS Processors Pvt. Ltd.	971.38	336.37	971.38	336.37
2	Trion Chemicals Pvt. Ltd.	790.42	557.17	790.42	557.17
3	Bodal Chemicals Trading Pvt. Ltd.	33.38	84.76	209.56	84.76
4	Sen-Er Boya Kimya Tekstil San.Tic. Ltd	73.14	-	73.14	-

i) Loan to subsidiaries has been given for acquisition of assets and other business purposes.

ii) The loanee does not have any investment in the shares of the Company.

There are no guarantees issued by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.

Notes to the Financial Statements (Contd.)

57. Donation made to Political Party during the financial year 2019-20 under provisions of Section 182 of the Companies Act, 2013.

Name of Political Party	(₹ in Million)
Bharatiya Janta Party	0.01

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Bhavin S. Patel
Executive Director
DIN : 00030464

Mayur B. Padhya
Chief Financial Officer
Ahmedabad
July 6, 2020

Ashutosh B. Bhatt
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To The Members of BODAL CHEMICALS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **BODAL CHEMICALS LIMITED** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 50 to the consolidated financial statements in which the Company describes the uncertainties arising from the COVID 19 pandemic. Our report is not modified in respect of this matter.

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
1	**Timely recognition of revenue** (Refer Note 1.5 and Note 30 to the Consolidated Financial Statements) We focussed on this area as a Key audit matter due to the risk of incorrect timing of revenue recognition. Since the Group focuses on revenue as a key performance measure, it could create an incentive for revenue to be recognized though the performance obligations have not been satisfied by the Group.	**Principal audit procedures performed:** Our audit procedures was a combination of test of controls and substantive procedures which included the following: • Evaluated the design of internal controls relating to recording of revenues at reporting periods. • Selected a sample of invoices and tested the operating effectiveness of internal controls relating to revenue cut off's. • Performed cut-off procedures (early and late cut off's) for sample of revenue transactions at year-end by testing the underlying invoices to the related delivery documents.
2	**Existence and condition of inventories of raw materials, stock in process and finished goods** (Refer to Note 11 to the Consolidated Financial Statements) The Parent Company has its inventories placed in the factories at various locations. The Parent Company has a policy of performing physical verification of inventories across locations: • during the year at reasonable intervals, and • also as on / or near to the balance sheet date. On account of COVID-19 related lockdown restrictions, the Parent management was unable to perform year end physical verification of inventories and verification was carried out subsequently for some of the locations. Parent Management has carried out other procedures to validate the existence and conditions of its inventory as at the year end, such as roll back procedures for inventories which were physically verified subsequent to year end and carrying out consumption analysis to determine the quantities of the inventory at the balance sheet date. We were not able to observe the physical verification of inventories that was carried out by the parent management subsequent to the year-end due to the COVID-19 related restrictions. In view of the foregoing, obtaining sufficient appropriate audit evidence regarding existence and condition of inventories as at the balance sheet date is identified as a key audit matter.	**Principal audit procedures performed:** We have performed the following alternate audit procedures to audit the existence and condition of inventories held by the Parent as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items", as at the year-end, since we were not able to physically observe the physical stock verification: • Understood and evaluated the Parent management's internal control process to establish the existence and condition of inventories such as: a) the process of periodic physical verification carried out by the management, the scope and coverage of the periodic verification programme, the results of such verification including analysis and accounting of the discrepancies, if any; b) report of the Parent's in-house internal audit team who physically verify the inventory of the Parent at various locations. • Verified the stock movement analysis for the year in respect of key items of raw materials and finished goods at the factories to determine the quantities of inventory as at the balance sheet date. • Performed alternate procedures to audit the existence and condition of inventories, which includes inspection of supporting documentation relating to purchases, sales and production

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board' Report including Annexures to Board's Report, Corporate Governance Report and Management Discussion & Analysis, but does not include the consolidated financial statements, standalone financial statements and our auditor's reports thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by other auditors.
- 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 Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

INDEPENDENT AUDITOR'S REPORT (Contd.)

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent 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 the 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 Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

Other Matters

(a) We did not audit the financial statements of 5 subsidiaries, whose financial statements reflect total assets of ₹ 2,803.92 Million as at 31st March, 2020, total revenues of ₹ 2,231.26 Million and net cash outflows amounting to ₹ 5.36 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) We did not audit the information of 2 subsidiaries, whose financial information reflect total assets of ₹ 18.51 Million as at 31st March, 2020, total revenues of ₹ 47.31 Million and net cash outflows amounting to ₹ 0.16 Million for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements / information of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2020 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

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,

INDEPENDENT AUDITOR'S REPORT (Contd.)

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 20103999AAAACW1180

Chicalim, Goa
6th July 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting of Bodal Chemicals Limited (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies which are companies incorporated in India, 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

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

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 and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, 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 31st March, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 20103999AAAACW1180

Chicalim, Goa
6th July 2020

Consolidated Balance Sheet as at 31st March 2020

(₹ in Million)

Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non - Current Assets :			
Property, Plant and Equipment	2	6,376.38	6,056.63
Capital Work-in-progress		68.58	255.10
Right of Use Assets	3	7.73	-
Goodwill on Consolidation		154.75	22.58
Intangible Assets	4	8.84	6.34
Financial Assets			
Investments	5	31.94	56.00
Loans	6	15.99	11.62
Other Financial Assets	7	36.50	55.64
Income Tax Assets (Net)	8	105.97	112.52
Deferred Tax Assets (Net)	9	153.50	83.77
Other Non-Current assets	10	155.22	168.79
Total Non - Current Assets		**7,115.40**	**6,828.99**
Current Assets			
Inventories	11	2,190.51	2,076.33
Financial Assets			
Investments	12	-	5.74
Trade Receivables	13	3,770.55	2,598.51
Customers Bill Discounted	13	771.05	698.94
Cash and Cash Equivalents	14	144.65	77.86
Other Bank Balances	15	50.41	20.10
Loans	16	48.10	83.47
Other Financial Assets	17	1.40	32.88
Other Current Assets	18	603.40	563.76
Total Current Assets		**7,580.07**	**6,157.59**
Total Assets		**14,695.47**	**12,986.58**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	244.66	244.38
Other Equity	20	8,642.17	8,049.20
Money Received Against Share Warrants		431.25	-
Total Equity attributable to Equity Holders of the Company		**9,318.08**	**8,293.58**
Non-Controlling Interests		48.91	9.28
Total Equity		**9,366.99**	**8,302.86**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	21	0.19	130.62
Lease Liabilities		5.55	-
Provisions	22	1.37	5.15
Deferred Tax Liabilities (Net)	23	376.24	440.46
Total Non-Current Liabilities		**383.35**	**576.23**
Current Liabilities			
Financial Liabilities			
Borrowings	24	1,793.44	858.32
Customers Bill Discounted	24	771.05	698.94
Lease Liabilities		2.45	
Trade Payables	25		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises		32.85	26.85
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		2,064.48	2,193.96
Other Financial Liabilities	26	49.64	165.42
Other Current Liabilities	27	135.28	153.85
Provisions	28	-	10.13
Income Tax Liabilities (Net)	29	95.94	0.02
Total Current Liabilities		**4,945.13**	**4,107.49**
Total Liabilities		**5,328.48**	**4,683.72**
Total Equity and Liabilities		**14,695.47**	**12,986.58**

See Accompanying Notes forming part of the Consolidated Financial Statements

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Varsha A. Fadte
Partner
Membership No. 103999

Chicalim, Goa
July 6, 2020

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Mayur B. Padhya
Chief Financial Officer
Ahmedabad
July 6, 2020

Bhavin S. Patel
Executive Director
DIN : 00030464

Ashutosh B. Bhatt
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31st March 2020

(₹ in Million)

PARTICULARS	Notes	Year ended 31st March 2020	Year ended 31st March 2019
INCOME			
Revenue from Operations	30	13,748.19	14,235.02
Other Income	31	103.98	133.52
Total Income		**13,852.17**	**14,368.54**
EXPENSES			
Cost of Raw Materials Consumed	32	8,078.77	9,465.64
Purchases of Stock-in Trade	33	712.02	159.88
Changes in Inventories of Finished Goods, Work in Process and Stock in Trade	34	41.91	(765.04)
Employee Benefits Expense	35	871.27	636.79
Finance Costs	36	190.26	90.75
Depreciation and Amortisation expense	37	278.20	212.49
Other Expenses	38	2,667.55	2,376.33
Total Expenses		**12,839.98**	**12,176.84**
Profit Before Tax		**1,012.19**	**2,191.70**
Tax Expenses	42		
Current Tax		279.51	618.77
Deferred Tax		(133.49)	151.10
Total Tax Expense		**146.02**	**769.87**
Profit for the year Before Share of Loss of Associate		**866.17**	**1,421.83**
Less : Share of (Loss) of Associate		-	(8.84)
Profit for the Year		866.17	1,412.99
Other Comprehensive Income / (Loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		20.65	(6.70)
Income Tax relating to items that will not be reclassified to profit or loss		(5.31)	2.34
Share of OCI in associate		-	-
		15.34	**(5.36)**
Items that will reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign subsidiaries		(17.94)	-
		(17.94)	**-**
Other Comprehensive Income/(Loss) for the Year (net of tax)		**(2.60)**	**(4.36)**
Total Comprehensive Income for the Year		**863.57**	**1,408.63**
Profit for the Year Attributable to:			
Owners of the Company		876.30	1,431.99
Non-controlling interest		(10.13)	(19.00)
		866.17	**1,412.99**
Other Comprehensive Income/(Loss) for the Year Attributable to:			
Owners of the Company		0.93	(4.36)
Non-controlling interest		(3.53)	-
		(2.60)	**(4.36)**
Total Comprehensive Income for the Year Attributable to:			
Owners of the Company		877.23	1,427.63
Non-controlling interest		(13.66)	(19.00)
		863.57	**1,408.63**
Earnings per equity share (Face value of ₹ 2)	45		
Basic (in ₹)		7.16	11.56
Diluted (in ₹)		7.16	11.54

See Accompanying Notes forming part of the Consolidated Financial Statements

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018
Varsha A. Fadte
Partner
Membership No. 103999

Chicalim, Goa
July 6, 2020

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Mayur B. Padhya
Chief Financial Officer
Ahmedabad
July 6, 2020

Bhavin S. Patel
Executive Director
DIN : 00030464

Ashutosh B. Bhatt
Company Secretary

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

(₹ in Million)

A) Equity Share Capital	As at 31st March 2020	As at 31st March 2019
Balance at the commencement of the year	244.38	244.38
Add : Issue of Shares under ESOP	0.28	-
Balance at the end of the year	**244.66**	**244.38**

(₹ in Million)

B) Other Equity

	Reserves & Surplus								Other Comprehensive Income	Non-Controlling Interests	Total
	Capital Reserve on Consolidation	Capital Reserves	Capital Redemption Reserve Fund	Movement between Non-controlling interest and Owners of the Company	Securities Premium	Employee Stock Options Outstanding Account	General Reserve	Retained Earnings	Foreign Currency Translation Reserve		
Balance as at 1st April 2018 (A)	**0.18**	**76.12**	**289.67**		**2,381.91**	**3.86**	**138.86**	**3,834.62**		**11.20**	**6,736.42**
Additions during the year:											
Profit for the year		-	-		-			1,431.99		(19.00)	1,412.99
Other Comprehensive Income for the year, net of tax		-	-		-			(4.36)			(4.36)
Total Comprehensive Income for the Year 2017-18 (B)		**-**	**-**		**-**		**-**	**1,427.63**		**(19.00)**	**1,408.63**
Addition due to Employee share based expense (refer note 51)						14.20					14.20
Non-Controlling Interest on conversion of associate into subsidiary										17.08	17.08
Reductions during the year:											
Dividends		-	-		-		-	(97.76)			(97.76)
Tax on Dividends		-	-		-		-	(20.09)			(20.09)
Total (C)		**-**	**-**		**-**		**-**	**(117.85)**			**(117.85)**
Balance as at 31st March 2019 (D) = (A+B+C)	**0.18**	**76.12**	**289.67**		**2,381.91**	**18.06**	**138.86**	**5,144.40**	**-**	**9.28**	**8,058.48**
Additions during the year:											
Profit for the year		-	-					876.30		(10.13)	866.17
Money received during the year											
Movement between Non-controlling interest and Owners of the Company				(65.56)							(65.56)
Foreign Currency Translation Reserve									(17.94)		(17.94)
Other Comprehensive Income for the year, net of tax		-	-					18.87		(3.53)	15.34
Addition due to Employee share based expense (refer note 51)					24.25						24.25

Consolidated Statement of Changes in Equity for the year ended 31st March 2020 (Contd.)

	Reserves & Surplus								Other Comprehensive Income	Non-Controlling Interests	Total
	Capital Reserve on Consolidation	Capital Reserves	Capital Redemption Reserve Fund	Movement between Non-controlling interest and Owners of the Company	Securities Premium	Employee Stock Options Outstanding Account	General Reserve	Retained Earnings	Foreign Currency Translation Reserve		
Non-Controlling Interest on conversion of subsidiary into wholly owned subsidiary										53.29	53.29
Total Comprehensive Income for the Year 2018-19 (E)		-	-		-		-	**895.17**			**895.17**
Addition due to Employee share based expense (refer note 51)						(6.99)					(6.99)
Reductions during the year											-
Dividends		-	-		-	-		(195.72)			(195.72)
Tax on Dividends		-	-		-	-		(40.24)			(40.24)
Total (F)		-	-		-	-	-	**(235.96)**			**(235.96)**
Balance as at 31st March 2020 (D+E+F)	**0.18**	**76.12**	**289.67**	**(65.56)**	**2,406.16**	**11.07**	**138.86**	**5,803.61**	**(17.94)**	**48.91**	**8,691.08**

C) Money Received against Share Warrants	As at 31st March 2020	As at 31st March 2019
Balance at the commencement of the year	-	-
Addition during the year (refer note 52)	431.25	-
Balance at the end of the year	**431.25**	**-**

See Accompanying Notes forming part of the Consolidated Financial Statements

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Varsha A. Fadte
Partner
Membership No. 103999

Chicalim, Goa
July 6, 2020

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Mayur B. Padhya
Chief Financial Officer
Ahmedabad
July 6, 2020

Bhavin S. Patel
Executive Director
DIN : 00030464

Ashutosh B. Bhatt
Company Secretary

Statement Of Consolidated Cash Flows

for the year ended 31st March 2020

(₹ in Million)

	PARTICULARS	Year ended 31st March 2020	Year ended 31st March 2019
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit Before Tax and after Exceptional Items	1,012.19	2,191.70
	Adjustment for		
	Depreciation and Amortisation Expense	278.20	212.49
	Unrealised Foreign Exchange Gain	32.48	(27.77)
	Gain on Conversion of Associate to Subsidiary	-	(23.98)
	Share of Loss of Associate	-	2.15
	Fair Value (Gain) / Loss on Investments measured through profit or loss	24.80	0.36
	Mark-to-market loss on derivative financial instruments	9.19	-
	Allowance for doubtful trade receivables	19.32	(1.62)
	Finance Costs	190.26	90.75
	Expenses recognised in respect of share based payments	10.47	14.20
	Loss / (Profit) on Sale of Property, Plant & Equipment (Net)	3.38	(0.25)
	Interest and Dividend Income	(65.28)	(72.41)
	Profit on Sale of Current Investments (Net)	(0.98)	(2.50)
	Liabilities No Longer required written back	-	(12.05)
	Operating Profit before Working Capital Changes	1,514.03	2,371.07
	Adjustment for :		
	(Increase) / Decrease in Trade Receivables	(889.72)	176.25
	(Increase) / Decrease in Inventories	10.51	(859.36)
	Decrease in Financial Assets	29.61	5.93
	(Increase) / Decrease in Other Assets	25.82	(6.24)
	Increase / (Decrease) in Trade Payables	(298.66)	690.31
	Decrease in Other Financial Liabilities	(89.19)	(8.84)
	Increase / (Decrease) in Other Liabilities and Provisions	(29.77)	133.95
	Cash generated from Operations	272.63	2,503.07
	Income Taxes Paid (Net of Refund)	(177.04)	(643.30)
	Net Cash generated from Operating Activities (A)	**95.59**	**1,859.77**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant & Equipment including Capital Work in Progress and capital advances	(520.97)	(1,482.41)
	Sale proceeds of Property, Plant & Equipment	5.75	2.80
	Loans given to Associated Concern	-	(60.25)
	Loans repaid by Associated Concern	-	17.90
	Loans to Related Party	1.38	(10.03)
	Net Increase in Loans to Employees	(8.81)	(3.90)
	Interest/Dividend received	65.28	72.02
	Inter Corporate Loans received back	38.43	107.15
	Bank Balances not considered as Cash and Cash Equivalents		
	Placed	(27.66)	(10.73)
	Matured	1.30	36.45
	Advance for Investment received back	17.06	10.31
	Consideration for acquisition of stake from non-controlling interests	(64.85)	-
	Consideration for acquisition of control in subsidiary	(317.94)	(28.56)
	Redemption of Preference Shares in subsidiary	-	35.13
	Proceeds from Sale of Current Investments (net)	5.98	32.58
	Net Cash used in Investing Activities (B)	**(805.05)**	**(1,281.54)**

Statement Of Consolidated Cash Flows

for the year ended 31st March 2020 (Contd.)

(₹ in Million)

	PARTICULARS	Year ended 31st March 2020	Year ended 31st March 2019
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Repayment of Long Term Borrowings	(155.49)	(24.35)
	Increase/(Decrease) in Short Term Borrowings	903.14	(279.18)
	Proceeds from issue of Equity Shares under ESOP	7.07	-
	Money Received against Share Warrants	431.25	-
	Lease Liability Paid	(2.42)	-
	Finance Costs Paid	(189.50)	(90.75)
	Dividend Paid on Equity Shares	(194.76)	(97.76)
	Tax on Dividend Paid	(40.24)	(20.09)
	Net Cash from / (used in) Financing Activities (C)	**759.05**	**(512.13)**
	NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	**49.59**	**66.10**
	Cash & Cash Equivalents at the beginning of the year	77.86	11.76
	Cash & Cash Equivalents of the acquired subsidiary	17.20	-
	Cash & Cash Equivalents at the end of the year	**144.65**	**77.86**

Note i): The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Statement of Cash Flows'.

Note ii): Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, are given below.

(₹ in Million)

	Non-Current (Refer Note 21)	Current (Refer Note 24)
Borrowing as on 31st March 2019 including Current Maturity of Long-term Borrowings	156.39	1,557.26
Cash Flows - Increase in Borrowings	(155.49)	903.14
Non Cash Changes - Foreign Exchange Movement	-	104.09
Borrowing as on 31st March 2020 including Current Maturity of Long-term Borrowings	**0.90**	**2,564.49**

See accompanying notes forming part of the consolidated financial statements
As Per Our Report of even date attached

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018
Varsha A. Fadte
Partner
Membership No. 103999

Chicalim, Goa
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For and on behalf of the Board of Directors

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Company Secretary

Notes to the Consolidated Financial Statements

COMPANY BACKGROUND

The consolidated financial statements comprise financial statements of Bodal Chemicals Limited ('the Parent/ Company'), its subsidiaries (collectively,' the Group') for the year ended 31st March 2020.

The Parent is a public limited company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Parent is located at Plot No. 123-124, Phase – I, G.I.D.C., Vatva, Ahmedabad - 382445, India.

The Group is engaged in the business of manufacturing of Dyes, Dye Intermediates and Basic Chemicals. Further details about the business operations of the Group are provided in Note 43 – Segment Information

1 Significant Accounting Policies:

1.1 Statement of compliance:

The consolidated financial statements of the Group are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read along with Companies (Indian Accounting Standards) Rules, as amended and other provisions of the Act. The presentation of the consolidated Financial Statements is based on Ind AS Schedule III of the Act.

1.2 Basis of Preparation of Financial Statements:

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy as mentioned in note 1.31 hitherto in use.

In addition, the consolidated financial statements are presented in INR and all values are rounded to the nearest million except when otherwise indicated.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

1.3 Basis of Consolidation:

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Notes to the Consolidated Financial Statements (Contd.)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. The Goodwill is determined separately for each subsidiary company and such amounts are not set off between different entities.

Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Sr. No.	Name of Subsidiary	Country of Incorporation	Extent of Holding/ Voting Power (%) as on March 31, 2020	Extent of Holding/ Voting Power (%) as on March 31, 2019
1	SPS Processors Private Limited	India	70.00%	70.00%
2	Trion Chemicals Private Limited (Wholly owned Subsidiary)(refer note 54)	India	100.00%	59.00%
3	Bodal Chemicals Trading Private Ltd. (w.e.f. 7th December 2018)	India	100.00%	100.00%

Notes to the Consolidated Financial Statements (Contd.)

Sr. No.	Name of Subsidiary	Country of Incorporation	Extent of Holding/ Voting Power (%) as on March 31, 2020	Extent of Holding/ Voting Power (%) as on March 31, 2019
4	Bodal Chemicals Trading (Shijiazhuang) Co., Ltd. (w.e.f. 3rd January 2019)	China	100.00%	100.00%
5	Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd. (w.e.f 8th August 2019)	Turkey	80.00%	N.A.
6	Bodal Bangla Ltd. (w.e.f. 22nd September 2019)	Bangladesh	100.00%	N.A.
7	Senpa Dis Ticaret Anonim Sirketi (100% subsidiary of Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.)	Turkey	80.00%	N.A.

1.4 Changes in the Group's ownership interests in existing subsidiaries:

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS).

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

1.5 Revenue Recognition:

a) Revenue from contracts with customer

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Group or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue is measured based on the consideration to which the Group expects to be entitled as per contract with a customer. The consideration is determined based on the price specified in the contract Contracts with customers are for short-term, at an agreed price. The contracts do

Notes to the Consolidated Financial Statements (Contd.)

not grant any rights of return to the customer. Returns of goods are accepted by the Group only on an exception basis. Revenue excludes any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax.

b) Other income

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

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

1.6 Lease

(i) Under Ind AS 116 Leases:

Effective from 1st April 2019, the Group adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on 1st April 2019 using the modified retrospective method on the date of initial application i.e. 1st April 2019.

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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of- use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be amortised over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

Notes to the Consolidated Financial Statements (Contd.)

(ii) Under Ind AS 17 Leases:

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

1.7 Foreign currencies:

In preparing the consolidated financial statements of each individual entity of the Group, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the statement of comprehensive income. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

1.8 Employee Benefits:

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to

Notes to the Consolidated Financial Statements (Contd.)

employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

1.9 Share Based Payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share based payments transactions are set out in Note 51.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Group`s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Employee Stock Options Outstanding Account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

1.10 Taxation:

Income tax expense represents the sum of the current tax and deferred tax.

Current Tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences 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 of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Notes to the Consolidated Financial Statements (Contd.)

1.11 Property, plant and equipment:

Property, plant and equipment for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation Methods, Estimated Useful Lives and Residual Value

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Useful lives of tangible assets

Estimated useful lives of the tangible assets are as follows:

Buildings	30-60 years
Plant & Machinery	20 years
Furniture & Fixtures	10 years
Vehicles	8-10 years
Office Equipments	3-5 years

Capital work in progress in stated at cost less accumulated impairment loss, if any.

1.12 Intangible Assets:

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

De-recognition of intangible assets

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Intangible assets are amortized on a straight-line basis over their technically assessed useful lives, as mentioned below:

Intangible Assets	Estimated Useful Lives (Years)
Software	5
License/Membership Fees	10
Website	5

Notes to the Consolidated Financial Statements (Contd.)

1.13 Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.14 Inventories:

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realisable value after providing for obsolescence, if any. The comparison of cost and net realisable value is made on an item-by item basis.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.

Materials in transit are valued at cost-to-date.

1.15 Provision, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability exists when there is a possible but not probable obligation or a present obligation

Notes to the Consolidated Financial Statements (Contd.)

that may, but probably will not; require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

1.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising th use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.17 Financial Instruments

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the

Notes to the Consolidated Financial Statements (Contd.)

acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by a Group are recognised at the proceeds received, net of direct issue costs.

1.18 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortized cost, refer paragraph of Impairment of financial assets.

A financial asset that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, refer paragraph of Impairment of financial assets.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset that does not meet the amortized cost criteria or FVTOCI criteria (see above) is measured at FVTPL. In addition, debt instruments that meet the amortized cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Notes to the Consolidated Financial Statements (Contd.)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Group, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Notes to the Consolidated Financial Statements (Contd.)

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

1.19 Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Finance Costs' line item.

1.20 Derivative Financial Instrument and Hedge Accounting:

The Group enters into forward exchange contracts to hedge against its foreign currency exposures relating to the firm commitments. The Group does not enter into any derivative instruments for trading or speculative purposes

Recognition and measurement of fair value hedge:

Derivative financial instrument is initially recognised at fair value on the date on which a derivative contract is entered into and is

Notes to the Consolidated Financial Statements (Contd.)

subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of derivative financial instrument is recognised in the Statement of Profit and Loss. Derivative financial instrument is recognised as a financial asset in the Balance Sheet if its fair value as at reporting dates is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

1.21 Cash Flow Statement:

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

1.22 Operating Cycle:

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

1.23 Cash and Cash Equivalents:

The Group considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

1.24 Borrowing Cost:

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, up to the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.25 Segment Reporting:

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

1.26 Government grant and Subsidies:

Government grants are recognised when there is a reasonable assurance that the Group will comply with the conditions attached to them and grants will be received.

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Balance Sheet and transferred to Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in Statement Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a governments grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

1.27 Offsetting of Financial Instruments

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

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1.28 Earnings per Share:

Basic earnings per equity share is computed by dividing the net profit/(loss) attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

1.29 Use of Estimates:

The preparation of the consolidated financial statements in conformity with Ind-AS requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialize.

1.30 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation (Note 1.8)
- Estimation of Useful life of Property, plant and equipment and intangibles (Note 1.11)
- Estimation of taxes (Note 1.10)
- Estimation of impairment (Note 1.13)
- Estimation of provision and contingent liabilities (Note 1.15)

1.31 Change in accounting policies and disclosures

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17, Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the Balance Sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Group is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1st April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1st April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17

Notes to the Consolidated Financial Statements (Contd.)

and Appendix C to Ind AS 17 at the date of initial application.

The effect of adoption Ind AS 116 as at 1st April 2019 (increase/ (decrease)) is, as follows:

Particulars	Amount (₹ in Million)
Assets	
Right-of-use Assets	1.36
Total Assets	**1.36**
Liabilities	
Lease liability obligation	1.36
Total Liabilities	**1.36**

The Group has lease contract for Leave Rights. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 1.4(ii) Leases for the accounting policy prior to 1st April 2019.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to 1.4(i) Leases for the accounting policy beginning 1st April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously classified as finance Leases

The Group did not have any finance leases.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application;
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Assets	Amount (₹ in Million)
Operating lease commitments as at 31st March 2019	-
Weighted average incremental borrowing rate as at 1st April 2019	10%
Discounted operating lease commitments as at 1st April 2019	1.36
Lease liabilities as at 1st April 2019	1.36

Adoption of the above standard did not have material financial impact on the Financial Statements of the Group.

1.32 Business Combinations and Goodwill

The Group accounts for its business combinations under acquisition method of accounting.

Acquisition related costs are recognised in Statement of Profit and Loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

If the initial accounting for a business combination

Notes to the Consolidated Financial Statements (Contd.)

is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Changes in ownership that do not result in a change of control are accounted for as equity transactions and therefore do not have any impact on goodwill. The difference between consideration and the non-controlling share of net assets acquired is recognised within equity.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, with adjustments only to harmonise accounting policies.

1.33 Dividend distribution to equity shareholders

The Group recognises a liability to make dividend distributions to its equity holders when the distribution is authorised and the distribution is no longer at its discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

In case of Interim Dividend, the liability is recognised on its declaration by the Board of Directors.

2. PROPERTY, PLANT AND EQUIPMENT

(₹ in Million)

Particulars	Land (Freehold)	Factory Building	Office Building	Plant & Machinery	Furniture & Fixture	Office Equipment	Vehicles	Total
Balance as at 31st March 2018	985.67	854.62	19.99	2,795.41	12.79	18.19	67.33	4,754.00
Addition due to Business Combination	12.61	177.37	-	314.14	0.38	0.68	2.10	507.28
Additions	128.05	353.30	0.07	926.52	6.41	6.41	16.85	1,437.61
Disposals	-	-	-	2.15	-	-	1.03	3.18
Balance as at 31st March 2019	**1,126.33**	**1,385.29**	**20.06**	**4,033.92**	**19.58**	**25.28**	**85.25**	**6,695.71**
Addition due to Business Combination	-	1.40	-	2.52	3.65	-	-	7.57
Additions	2.58	84.81	135.46	238.92	69.75	35.65	30.05	597.22
Disposals	-	-	-	1.96	-	0.03	10.97	12.96
Balance as at 31st March 2020	**1,128.91**	**1,471.50**	**155.52**	**4,273.40**	**92.98**	**60.90**	**104.33**	**7,287.54**

Particulars	Land (Freehold)	Factory Building	Office Building	Plant & Machinery	Furniture & Fixture	Office Equipment	Vehicles	Total
Balance as at 31st March 2018	-	64.10	1.26	300.62	4.76	7.47	16.82	395.03
Additions due to Business Combination	-	8.67	-	24.59	0.11	0.35	0.60	34.32
Additions	-	35.76	0.33	160.43	1.54	4.68	7.62	210.36
Disposals	-	-	-	0.21	-	-	0.42	0.63
Balance as at 31st March 2019	**-**	**108.53**	**1.59**	**485.43**	**6.41**	**12.50**	**24.62**	**639.08**
Addition due to Business Combination		0.44	-	1.03	0.69	-	-	2.16
Additions	-	47.03	1.78	202.85	4.56	9.05	8.48	273.75
Disposals	-	-	-	0.09	-	0.01	3.73	3.83
Balance as at 31st March 2020	**-**	**156.00**	**3.37**	**689.22**	**11.66**	**21.54**	**29.37**	**911.16**

Particulars	Land (Freehold)	Factory Building	Office Building	Plant & Machinery	Furniture & Fixture	Office Equipment	Vehicles	Total
Net Block								
Balance as at 31st March 2019	1,126.33	1,276.76	18.47	3,548.49	13.17	12.78	60.63	6,056.63
Balance as at 31st March 2020	**1,128.91**	**1,315.50**	**152.15**	**3,584.18**	**81.32**	**39.36**	**74.96**	**6,376.38**

3. RIGHT OF USE ASSETS

Particulars	Building
GROSS CARRYING VALUE	
At 1st April 2019	-
Addition due to Business Combination	8.32
Recognition on transition to Ind AS 116 (Refer Note 49)	1.36
At 31st March 2020	**9.68**
ACCUMULATED AMORTISATION	
At 1st April 2019	-
Amortisation Expense	1.95
At 31st March 2020	**1.95**
Net Carrying Value as at 31 March 2020	**7.73**

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4. INTANGIBLE ASSETS

(₹ in Million)

	Computer Software	Membership Fees	Website*	Rights	Other Intangible	Total
Gross Block						
Balance as at 31st March 2018	**3.72**	**8.62**	**0.00**	**-**	**-**	**12.34**
Additions	1.43	0.51	-	-	-	1.94
Disposals	-	-	-	-	-	-
Balance as at 31st March 2019	**5.15**	**9.13**	**0.00**	**-**	**-**	**14.28**
Additions	4.34	-	-	0.15	0.51	5.00
Disposals	-	-	-	-	-	-
Balance as at 31st March 2020	**9.49**	**9.13**	**0.00**	**0.15**	**0.51**	**19.28**
Accumulated Amortisation						
Balance as at 31st March 2018	**2.40**	**3.41**	**0.00**	**-**	**-**	**5.81**
Additions	0.30	1.83	-	-	-	2.13
Disposals	-	-	-	-	-	-
Balance as at 31st March 2019	**2.70**	**5.24**	**0.00**	**-**	**-**	**7.94**
Additions	1.40	0.97	-	0.01	0.12	2.50
Disposals	-	-	-	-	-	-
Balance as at 31st March 2020	4.10	6.21	0.00	0.01	0.12	10.44
Net Block						
Balance as at 31st March 2019	**2.45**	**3.89**	**0.00**	**-**	**-**	**6.34**
Balance as at 31st March 2020	**5.39**	**2.92**	**0.00**	**0.14**	**0.39**	**8.84**

* amount below ₹ 5,000 denoted as 0.00

5. INVESTMENTS (NON-CURRENT)

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Quoted		
Investments in Equity Instruments - carried at FVTPL		
100 (P.Y. : 100) Equity Shares of Beta Nepthol Ltd. of ₹ 10/- Each Fully Paid Up	0.00	0.00
4,00,000 (P.Y. : 2,00,000) Equity Shares of Bhageria Industries Ltd. of ₹ 5/- Each Fully Paid Up	30.60	54.66
	30.60	**54.66**
Less : Impairment Loss	0.00	0.00
Total of Investments in Equity Instruments	**30.60**	**54.66**
Total of carrying value of Quoted Investments	**30.60**	**54.66**
Unquoted		
Investments in Equity Instruments		
250 (P.Y. : 250) Equity Shares of Green Environment Ser. Co-op. Soc. Ltd. of ₹ 100/- Each Fully Paid Up	0.03	0.03
1,12,350 (P.Y. : 1,12,350) Equity Shares of Bharuch Enviro Infrastructure Ltd of ₹ 10/-Each Fully Paid Up	1.12	1.12

Notes to the Consolidated Financial Statements (Contd.)

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
100 (P.Y. : 100) Equity Shares of Guj. Ind. Waste Mng. Co.	0.00	0.00
Ltd. of ₹ 10/- Each Fully Paid Up		
10 (P.Y. : 10) Equity Shares of The Bhagyodaya Co-op. Bank	0.00	0.00
Ltd. of ₹ 100/- Each Fully Paid Up		
10,200 (P.Y. : 10,200) Equity Shares of Panoli Enviro	0.10	0.10
Technology Ltd. of ₹ 10/- Each Fully Paid Up		
3,542 (P.Y. : 3,542) Equity Shares of Makarpura Ind. Est.	0.09	0.09
Co-op. Bank Ltd. of ₹ 25/- Each Fully Paid Up		
Total carrying value of Unquoted Investments	**1.34**	**1.34**
Total carrying value of Non-Current Investments	**31.94**	**56.00**
amount below ₹ 5,000 denoted as 0.00		

6. LOANS (NON-CURRENT)

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Unsecured and Considered Good)		
Loans to Employees	15.99	11.62
Total	**15.99**	**11.62**

7. OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Security Deposits	31.98	31.08
Advance for Investments	-	17.06
Margin Money Deposits with Bank with maturity after twelve months from the reporting date*	4.52	7.50
Total	**36.50**	**55.64**

* Held as lien by bank against bank guarantees and letters of credit.

8. INCOME TAX ASSETS (NET)

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Income Tax Assets (Net)	105.97	112.52
Total	**105.97**	**112.52**

Notes to the Consolidated Financial Statements (Contd.)

9. DEFERRED TAX ASSETS (NET)

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Deferred Tax Assets		
Property, Plant and Equipment	25.39	16.43
Allowance for Doubtful Debts	5.56	0.38
Unabsorbed Depreciation & c/f loss	**163.61**	**111.92**
Impact of IND AS 116	0.06	-
Other Adjustments	1.02	-
Expense claimed for tax purpose on payment basis	**0.20**	**0.27**
Expenditure covered by section 35D of Income Tax Act, 1961	-	0.01
Unused Tax Credit	**4.72**	**-**
Expenditure covered by section 43B of Income Tax Act, 1961	0.29	0.27
Deferred Tax Liabilities		
Property, Plant and Equipment	(47.26)	(42.65)
Fair Value of Long Term Borrowing	-	(2.86)
Expense claimed for tax purpose on payment basis	**(0.09)**	**-**
Total	**153.50**	**83.77**

10. OTHER NON-CURRENT ASSETS

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(Unsecured and Considered Good)		
Capital Advances	147.50	137.21
Balance with Statutory Authorities	7.72	31.58
Total	**155.22**	**168.79**

10.1 Capital Advances include ₹ 56.42 Million (P.Y. : ₹ 56.42 Million to related parties. (refer note 44)

10.2 Balance with Statutory Authorities includes balances with Excise, Service Tax, Sales Tax and Customs Dept.

11. INVENTORIES

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(Valued at the lower of Cost or Net Realisable Value)		
a) Raw Materials	478.81	355.55
Raw Materials in Transit	87.13	66.37
	565.94	**421.92**
b) Finished Goods	479.31	315.49
Finished Goods in Transit	74.17	261.61
	553.48	**577.10**

Notes to the Consolidated Financial Statements (Contd.)

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
c) Stock In Process	900.34	973.94
	900.34	**973.94**
d) Stock In Trade	62.68	7.37
	62.68	**7.37**
e) Packing Materials	10.67	11.70
Packing Materials in Transit	0.06	0.22
	10.73	**11.92**
f) Stock of Fuel	16.69	11.75
	16.69	**11.75**
g) Stores and Spares	80.65	72.33
	80.65	**72.33**
Total	**2,190.51**	**2,076.33**

12. INVESTMENTS (CURRENT)

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Quoted		
Investments in Mutual Funds - carried at FVTPL		
Nil (P.Y. : 5,00,000) Units of Union Capital Protection	-	5.74
Oriented Fund Series 7 - Regular Plan - Growth*		
Total	**-**	**5.74**

* Held as lien by bank against bank guarantees and letters of credit.

13. TRADE RECEIVABLES

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Trade receivables		
Unsecured & Considered Good	4,541.60	3,297.45
Unsecured & Considered Doubtful	9.69	4.92
Less : Allowances for Credit Losses (refer note 40)	(9.69)	(4.92)
	4,541.60	**3,297.45**
Customers Bill Discounted	771.05	698.94
Other Trade Receivables	3,770.55	2,598.51
Total	**4,541.60**	**3,297.45**

13.1 Trade Receivables include ₹ 11.58 Million (P.Y. : ₹ 15.06 Million) to related parties. (refer note 44)

Notes to the Consolidated Financial Statements (Contd.)

14. CASH AND BANK BALANCES

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Cash & Cash Equivalents		
Cash on hand	4.13	4.40
Balance with Banks		
in Current Accounts	40.48	73.46
in Fixed Deposits	100.04	-
Total	**144.65**	**77.86**

15. OTHER BANK BALANCES

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Margin Money Deposits with bank *	47.06	17.72
Unclaimed Dividend Accounts	3.35	2.38
Total	**50.41**	**20.10**

* Held as lien by bank against bank guarantees and letters of credit.

16. LOANS (CURRENT)

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(Unsecured & considered good)		
Loans to Employees	25.51	21.07
Loan to Related Party	0.21	1.59
Inter-Corporate Loans	22.38	60.81
Total	**48.10**	**83.47**

17. OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(Unsecured & considered good)		
Derivative Assets	-	26.58
Other Receivables	1.40	6.30
Total	**1.40**	**32.88**

Notes to the Consolidated Financial Statements (Contd.)

18. OTHER CURRENT ASSETS

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(Unsecured & considered good)		
Export Incentives Receivables	51.21	87.69
Advance to Suppliers	309.13	208.53
Balance with Statutory Authorities	224.21	253.91
Pre-paid Expenses	16.51	10.93
Others	2.34	2.70
Total	**603.40**	**563.76**

18.1 Advance to Suppliers of Goods include ₹ 29.84 Million (P.Y. : ₹ 65.50 Million) to related parties (refer note 44).

18.2 Balance with statutory authorities includes balances with GST, Excise and Customs Dept.

19. EQUITY SHARE CAPITAL

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Authorised Share Capital		
16,00,00,000 (P.Y. : 13,50,00,000) Equity Shares of ₹ 2/- each	320.00	270.00
2,00,00,000 (P.Y. : 2,50,00,000) Preference Share of ₹ 10/- each	200.00	250.00
	520.00	**520.00**
Issued, Subscribed & Paid up Share Capital		
12,23,30,165 (P.Y. : 12,21,88,765) Equity shares of ₹ 2/- each	244.66	244.38
Total	**244.66**	**244.38**

19.1 Reconciliation of the number of Shares

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
	No. of Shares	No. of Shares
Equity Shares		
Opening balance	12,21,88,765	12,21,88,765
Issue of Shares under ESOP	1,41,400	-
Closing balance	**12,23,30,165**	**12,21,88,765**

19.2 Rights, preferences and restrictions attached to shares

Equity shares

The Parent Company has only one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Parent Company, after distribution of all preferential amounts, in proportion of their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

Notes to the Consolidated Financial Statements (Contd.)

Preference shares

The Parent Company has only one class of non-convertible, non-cumulative redeemable preference shares having a par value of ₹ 10/- per share. Each shareholder shall have a right to attend general meeting of the Parent Company and vote on resolutions directly affecting their interest. In the event of liquidation, the preference shareholders shall be entitled to a preferential right of return of the amount paid up on the shares, but shall not have any further right or claim over the surplus asset of the Parent Company.

19.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Parent Company

(₹ in Million)

Name of Shareholder	Year ended 31st March, 2020		Year ended 31st March, 2019	
	No. of Shares	% held	No. of Shares	% held
Equity Shares :				
Shri Suresh J. Patel	3,71,12,857	30.34	3,71,12,857	30.37
Shri Bhavin S. Patel	1,04,96,342	8.58	1,04,96,342	8.59
Shri Ankit S. Patel	72,61,072	5.94	72,61,072	5.94

20. OTHER EQUITY

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Capital Reserves on Consolidation	0.18	0.18
Capital Reserves	76.12	76.12
Capital Redemption Reserve	289.67	289.67
Movement between Non-controlling interest and Owners of the Company		
At the commencement of the year	-	-
Add : Movement between Non-controlling interest and Owners of the Company during the year	(65.56)	-
At the end of the year	(65.56)	-
Securities Premium		
At the commencement of the year	2,381.91	2,381.91
Add : Premium on shares issued under ESOP	24.25	-
At the end of the year	2,406.16	2,381.91
Employee Stock Options Outstanding Account (refer note 51)	11.07	18.06
General Reserve	**138.86**	**138.86**
Retained Earnings		
At the commencement of the year	5,144.40	3,834.62
Add :Profit during the year	876.30	1,431.99
Add :Remeasurements of Net Defined Benefit Plans (Net of tax)	18.87	(4.36)
	6,039.57	**5,262.25**
Less : Appropriations :		
Dividend on Equity Shares	97.86	97.76
Interim Dividend on Equity Shares	97.86	-
Tax on Dividends	40.24	20.09
	235.96	117.85
At the end of the year	5,803.61	5,144.40
Other Comprehensive Income		

Notes to the Consolidated Financial Statements (Contd.)

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Foreign Currency Translation Reserve	(17.94)	-
Total	**8,642.17**	**8,049.20**

20.1 Nature and purpose of Reserves

Capital Reserves on Consolidation

Capital Reserve on Consolidation represents the additional net assets received by the Parent pursuant to acquisition of 70% holding in SPS Processors Pvt. Ltd.

Capital Reserves

Capital reserve is created and utilised in accordance with the provisions of the Act.

Capital Redemption Reserve

Capital redemption reserve created during redemption of Preference Shares and it is a non-distributable reserve.

Securities Premium

Securities Premium has been created consequent to issue of shares at premium. These reserves can be utilised in accordance with Section 52 of the Companies Act, 2013.

Employee Stock Options Outstanding Account

The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

General Reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes.

Retained Earnings

Retained earnings represents the amount of profits of the Group earned till date net of appropriation that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013.

Foreign Currency Translation Reserve

The exchange differences arising from the translation of financial statements of foreign subsidiaries with functional currency other than the Indian rupee is recognised in other comprehensive income and is presented within equity.

21. BORROWINGS (NON CURRENT)

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Secured		
Term loan from Banks	0.19	99.45
Unsecured		
Nil (P.Y. : 6,13,330) Preference Shares of ₹ 10/- each	-	6.13
Loan From Members	-	3.51
Loan From Directors	-	21.53
Total	**0.19**	**130.62**
Current Maturities of Long Term Borrowings (Refer Note 26)	0.71	25.77

21.1 Nature of Security and terms of repayment for Long Term secured borrowings

Notes to the Consolidated Financial Statements (Contd.)

21.1.1 Term loan outstanding amount of ₹ Nil (P.Y. ₹ 122.72 Million) was secured by exclusive charge over movable fixed asset of the Group including plant, machinery and other fixed assets to be created out of term loan and over factory land and building and repayable in quarterly installments. Rate of Interest Nil (P.Y. : 11.10%).

21.1.2 Term loan was collaterally further secured by entire present and future current assets of the subsidiary company.

21.1.3 Term loan was secured by exclusive charge on residential plot of a director and personal guarantee of all directors.

21.1.4 Vehicle loan outstanding amount of ₹ 0.19 Million (P.Y. : ₹ 2.50 Million) is secured by Hire Purchase agreement for Vehicles and repayable in monthly installments. Last Instalment is due in May 2020. Rate of Interest 8.30% (P.Y. : 8.30%).

21.1.5 The Group has not defaulted in the repayment of loans and interest in current year.

21.2 Terms and conditions Long Term unsecured borrowings

21.2.1 Loan taken from members and directors are interest-free.

21.2.2 Loan taken from members shows loan taken from such member at the time when such member was a director.

22. PROVISIONS (NON-CURRENT)

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Provision for Gratuity (refer note 46)	1.37	5.15
Total	**1.37**	**5.15**

23. DEFERRED TAX LIABILITIES (NET)

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Deferred Tax Liabilities		
Property, Plant and Equipment	388.33	462.34
Fair Value of Forward Contracts	-	9.28
Others	2.96	-
Deferred Tax Assets		
Expense claimed for tax purpose on payment basis	(1.73)	(8.93)
Allowance for Doubtful Debts	(0.45)	(1.21)
Expenditure covered by section 35D of Income Tax Act, 1961	(6.51)	(13.57)
Employees Stock Options Outstanding	(4.05)	(6.31)
Fair Value of Quoted Equity Shares and Mutual Fund	-	(1.14)
Fair Value of Forward Contracts	(2.31)	-
Total	**376.24**	**440.46**

Notes to the Consolidated Financial Statements (Contd.)

24. BORROWINGS (CURRENT)

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Secured		
Working Capital Loans from Banks	886.76	699.73
Unsecured		
Working Capital Loans from Banks	813.01	-
Loans From Directors	93.67	155.53
Loans From Corporates	-	3.06
	1,793.44	858.32
Borrowing Bill Discounted (Secured)	771.05	698.94
Total	**2,564.49**	**1,557.26**

24.1 Secured Loan : Working capital loans from banks are secured by hypothecation of inventories, book debts and bills drawn under letters of credit and confirmed contracts and collaterally secured by equitable mortgage of immovable property and hypothecation of P & M of Unit-7, Unit-8 and Unit-10 of the Parent Company.

25. TRADE PAYABLES

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	32.85	26.85
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	2,064.48	2,193.96
Total	**2,097.33**	**2,220.81**

25.1 Trade Payables include ₹ 48.11 Million (P.Y. : ₹ 33.50 Million) to related parties (refer note 44)

26. OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Current Maturities of Long Term Debt	0.71	25.77
Trade Deposits	8.71	7.77
Unclaimed Dividends	3.35	2.38
Payable for Purchase of Property, Plant and Equipments	26.59	127.89
Derivative Liabilities	9.19	-
Other Payables	1.09	1.61
Total	**49.64**	**165.42**

Notes to the Consolidated Financial Statements (Contd.)

27. OTHER CURRENT LIABILITIES

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Advance Received from Customers	50.15	40.91
Statutory Liabilities	84.79	112.94
Other Liabilities	0.34	-
Total	**135.28**	**153.85**

27.1 Statutory liabilities represent amounts payable towards GST, TDS, Professional Tax, Provident Fund and E.S.I.C.

28. PROVISIONS (CURRENT)

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Provision for Gratuity (refer note 46)	-	10.13
Total	**-**	**10.13**

29. INCOME TAX LIABILITIES (NET)

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Income Tax Liabilities (Net of Advance Taxes)	95.94	0.02
	95.94	**0.02**

30. REVENUE FROM OPERATIONS

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Sale of products	13,617.09	13,988.49
Other Operating Income		
Export Incentives	109.88	221.47
Insurance Claim	1.34	-
Scrap Sales	13.62	20.92
Other Operating Income	6.26	4.14
Total	**131.10**	**246.53**
Total Revenue From Operations	**13,748.19**	**14,235.02**

Notes to the Consolidated Financial Statements (Contd.)

31. OTHER INCOME

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Interest Income		
On Deposits	2.89	2.39
On Others	62.39	65.58
Profit on Sale of Current Investments (Net)	0.98	2.50
Gain on Conversion of Associate to Subsidiary	-	23.98
Gain on Fair value of financial liabilities	-	5.19
Reversal of Allowance for Doubtful Debts	-	1.62
Profit on Sale of Property, Plant & Equipment (Net)	-	0.25
Dividend Income	0.67	4.44
Liabilities no Longer Required Written Back	-	12.05
Other Income	37.05	15.52
Total	**103.98**	**133.52**

32. COST OF RAW MATERIALS CONSUMED

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Opening Stock	421.92	304.00
Add: Addition due to Acquisition of Subsidiary	124.69	44.68
Add: Purchases during the year	8,098.10	9,538.88
	8,644.71	**9,887.56**
Less : Closing Stock	565.94	421.92
Total	**8,078.77**	**9,465.64**

33. PURCHASES OF STOCK IN TRADE

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Purchases of Stock in Trade	712.02	159.88
Total	**712.02**	**159.88**

34. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS & STOCK IN TRADE

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Inventories at the end of the year		
Finished Goods	553.48	577.10
Stock In Process	900.34	973.94
Stock - in Trade	62.68	7.37
Total (A)	**1,516.50**	**1,558.41**

Notes to the Consolidated Financial Statements (Contd.)

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Inventories at the beginning of the year		
Finished Goods	577.10	227.88
Stock In Process	973.94	528.67
Stock - in Trade	7.37	-
Total (B)	**1,558.41**	**756.55**
Addition due to Acquisition of Subsidiary		
Finished Goods	-	35.60
Stock In Process	-	1.22
Total (C)	**-**	**36.82**
Changes In Inventories Of Finished Goods, Stock In Process & Stock in Trade (B) - (A) + (C)	**41.91**	**(765.04)**

35. EMPLOYEE BENEFITS EXPENSE

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Salaries, Wages & Bonus	778.30	552.79
Contribution to Provident & Other Funds (refer note 46)	37.67	28.83
Employee Share Based Payments (refer note 51)	10.47	14.20
Staff Welfare Expenses	44.83	40.97
Total	**871.27**	**636.79**

36. FINANCE COSTS

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Bank Interest	111.83	62.08
Other Interest Expenses	49.34	1.95
Amortisation of Borrowing Cost	11.09	4.27
Bank Charges	18.00	22.45
Total	**190.26**	**90.75**

Notes to the Consolidated Financial Statements (Contd.)

37. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Depreciation on Tangible Assets	273.75	210.36
Amortisation of Right of Use of Assets	1.95	-
Amortisation on Intangible Assets	2.50	2.13
Total	**278.20**	**212.49**

38. OTHER EXPENSES

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Stores Consumption	77.51	46.82
Power & Fuel Consumption	819.41	823.72
Repairs to		
Machinery	252.10	254.92
Building	35.16	38.26
Others	0.25	0.81
Pollution Control Expenses	214.46	215.45
Rent & Taxes	11.12	7.16
Labour Charges	328.18	290.15
Insurance Expenses	26.80	9.61
Corporate Social Responsibility Expenses	14.90	34.84
Directors' Sitting fees	0.58	0.43
Travelling & Vehicle Expense	43.34	32.59
Payment to Auditors	3.81	2.41
Legal & Professional Fees	73.54	35.41
Loss on Sale of Property, Plant & Equipment	3.38	-
Fair Value Loss on Investments measured through profit or loss	24.80	0.36
Exchange Rate Difference (Net)	89.60	23.63
Packing Material Consumption	165.69	147.96
Freight & Handling Charges	204.29	210.45
Advertisement & Business Promotion Expenses	19.52	19.78
Sales Commission	126.01	99.10
Allowance for Doubtful Debts	19.32	-
Other Expenses	113.78	82.47
Total	**2,667.55**	**2,376.33**

Notes to the Consolidated Financial Statements (Contd.)

Additional Disclosure requirement:

39. FAIR VALUE MEASUREMENT

The carrying value of Financial instrument classification by Categories

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial Assets		
Financial Assets measured at fair value through profit and loss		
Investments in Quoted Equity Shares	30.60	54.66
Investments in Quoted Mutual Fund	-	5.74
Derivative Assets	-	26.58
Financial Assets measured at amortised cost		
Investments in Unquoted Equity Shares	1.34	1.34
Loans	64.09	95.09
Trade Receivables	4,541.60	3,297.45
Cash and Cash Equivalents	144.65	77.86
Other Bank Balances	50.41	20.10
Other Financial Assets	37.90	61.94
Total Financial Assets	**4,870.59**	**3,640.76**

(₹ in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial Liabilities		
Financial Liabilities measured at fair value through profit and loss		
Derivative Liabilities	9.19	-
Financial Liabilities measured at amortised cost		
Borrowings	2,564.68	1,687.88
Lease Liability	8.00	-
Trade Payables	2,097.33	2,220.81
Other Financial Liabilities	40.45	165.42
Total Financial Liabilities	**4,719.65**	**4,074.11**

Fair Value Hierarchy

(₹ in Million)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets and liabilities measured at fair value 31st March 2020				
Financial Assets				
Measured at fair value through profit or loss				
Investments in quoted equity shares	30.60			30.60
Financial Liabilities				
Derivative Liabilities	-	9.19	-	9.19

Notes to the Consolidated Financial Statements (Contd.)

(₹ in Million)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets and liabilities measured at fair value 31st March 2019				
Financial Assets				
Measured at fair value through profit or loss				
Investments in quoted equity shares	54.66	-	-	54.66
Investments in quoted mutual Fund	5.74	-	-	5.74
Derivative Assets	-	26.58	-	26.58

The Group has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, borrowings, trade payables and other financial liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

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

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- ✓ the use of quoted market prices or dealer quotes for similar instruments
- ✓ the fair value of forward foreign exchange contracts is determined using forward exchange rates at the Balance Sheet date
- ✓ The fair value of investments in Mutual Fund Units is based on Net Asset Value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet Date. NAV represents the price at which the issuer will issue further units of Mutual Fund and the price at which issuers will redeem such units from investors.

40. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements

Notes to the Consolidated Financial Statements (Contd.)

Risk

Credit Risk

Liquidity Risk

Market Risk

- Foreign Exchange Risk
- Interest Rates
- Security Price

(A) Credit Risk Management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables.

Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

The Group is making provision on Trade Receivables based on Expected Credit Loss Model (ECL) as below:

No. of Days for which amount is due	<=60 Days	61-120 Days	121-180 Days	181-360 Days	>360 Days
% of Provision	0%	0.25%	0.50%	0.75%	1%

Reconciliation of loss allowance provision

(₹ in Million)

Reconciliation of Loss Allowance	2019-20	2018-19
Opening Balance	4.92	6.34
Addition due to Acquisition of Subsidiary	2.00	0.19
(Reversal) / Recognition of loss allowance measured as per ECL	19.32	(1.61)
Write off Bad Debts	(16.55)	-
Closing Balance (refer note 12)	9.69	4.92

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability at all times.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring Balance Sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Notes to the Consolidated Financial Statements (Contd.)

Maturities of financial instruments as on 31st March 2020 (₹ in Million)

	Within 12 months	After 12 months
Financial Assets		
Investments	-	31.94
Trade Receivables	4,541.60	-
Other Bank Balances	50.41	-
Loans	48.10	15.99
Other Financial Assets	1.40	36.50
Financial Liabilities		
Borrowings	2,564.49	0.19
Lease Liabilities	2.45	5.55
Trade Payables	2,097.33	-
Other Financial Liabilities	49.64	-

Maturities of financial instruments as on 31st March 2019 (₹ in Million)

	Within 12 months	After 12 months
Financial Assets		
Investments	5.74	56.00
Trade Receivables	3,297.45	-
Other Bank Balances	20.10	-
Loans	83.47	11.62
Other Financial Assets	32.88	55.64
Financial Liabilities		
Borrowings	1,557.26	138.39
Trade Payables	2,220.81	-
Other Financial Liabilities	157.65	-

(C) Market Risk Management

i) Foreign Currency Risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US$ and EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

(A) Foreign currency risk exposure

Particulars	31st March 2020					31st March 2019				
	USD	EUR	TL	RMB	TAKA	USD	EUR	TL	RMB	TAKA
Financial Assets										
Trade Receivables	8.59	-	47.56	0.14	-	15.82	-	-	-	-
Cash & Cash Equivalents	-	-	0.86	0.05	1.30	-	-	-	-	-
Loan	-	-	-	-	-	-	-	-	-	-
Other Receivables	-	-	0.01	-	-	-	-	-	-	-
Financial Liabilities										
Trade Payables	3.55	0.03	0.27	0.03	-	1.42	0.01	-	-	-
Other Payables	-	-	0.09	-	-	-	-	-	-	-
Lease Liability	-	-	0.63	-	-	-	-	-	-	-
Borrowings	20.36	-	15.90	-	-	18.08	-	-	-	-
Net Exposure	**(15.32)**	**(0.03)**	**31.54**	**0.15**	**1.30**	**(3.68)**	**(0.01)**	**-**	**-**	**-**

Notes to the Consolidated Financial Statements (Contd.)

(B) Foreign currency forward contract outstanding as at the Balance Sheet date.

(₹ in Million)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Sell	Buy	Sell	Buy
Forward contact USD	3.70	-	15.05	-

The forward contracts have been entered into to hedge the foreign currency risk on trade receivables and borrowings.

(C) Sensitivity (+/-5%)

(₹ in Million)

Currency	2019-20			2018-19		
	Movement in Rate	Impact on PAT	Impact on Other Equity	Movement in Rate	Impact on PAT	Impact on Other Equity
USD	5.00%	(43.22)	(43.22)	5.00%	(7.68)	(7.68)
USD	-5.00%	43.22	43.22	-5.00%	7.68	7.68
EUR	5.00%	(0.10)	(0.10)	5.00%	(-)	(-)
EUR	-5.00%	0.10	0.10	-5.00%	-	-
TL	5.00%	13.44	13.44	-	-	-
TL	-5.00%	(13.44)	(13.44)	-	-	-
RMB	5.00%	0.06	0.06	-	-	-
RMB	-5.00%	(0.06)	(0.06)	-	-	-
TAKA	5.00%	0.04	0.04	-	-	-
TAKA	-5.00%	(0.04)	(0.04)	-	-	-

ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 31st March 2020 and 31st March 2019, the Group's borrowings at variable rate were mainly denominated in INR & USD.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

(₹ in Million)

Particulars	31st March 2020	31st March 2019
Variable Rate borrowings	2,471.35	1,521.40
Fixed Rate Borrowings	-	10.27

Notes to the Consolidated Financial Statements (Contd.)

At the end of reporting period the Group had the following variable rate borrowings.

(₹ in Million)

Particulars	31st March 2020			31st March 2019		
	Average Interest Rate	Balance	%of Total Loan	Average Interest Rate	Balance	%of Total Loan
Cash Credit Facility	8.77%	402.62	16.29%	8.96%	342.77	22.53%
Short Term Financing Facility	12.92%	87.86	3.55%	-	-	-
Working Capital Loan Facility	8.33%	450.00	18.21%	-	-	-
Packing Credit Facility	3.13%	648.48	26.24%	3.32%	356.95	23.46%
Buyers Credit Facility	2.44%	110.80	4.48%	2.62%	0.02	0.01%
Term Loan	-	-	0.00%	10.70%	121.85	8.01%
Vehicle Loan	8.93%	0.53	0.02%	8.85%	0.87	0.05%
Bills Discounting Facility	3.13%	771.05	31.20%	3.32%	698.94	45.94%
Net Exposure		**2,471.35**	**100.00**		**1,521.40**	**100.00%**

Sensitivity (+/-1%)

(₹ in Million)

	Movement in Rate	As at	
		31st March 2020	31st March 2019
Interest rates	1.00%	18.49	9.90
Interest rates	-1.00%	(18.49)	(9.90)

iii) Security Price Risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the Balance Sheet at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Sensitivity (+/-5%)

(₹ in Million)

Particulars	Investment in Quoted Securities			
	31st March 2020		31st March 2019	
Increase/(decrease)	5%	-5%	5%	-5%
Impact on PAT	1.14	(1.14)	1.85	(1.85)

Notes to the Consolidated Financial Statements (Contd.)

41. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to

- ✓ safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- ✓ Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the Balance Sheet, including non-controlling interests).

(₹ in Million)

Particulars	31st March 2020	31st March 2019
Net Debt	2,420.74	1,635.80
Total Equity	9,366.99	8,302.86
Debt Equity Ratio	0.26	0.20

42. INCOME TAXES

(₹ in Million)

Particulars	31st March 2020	31st March 2019
Current Tax	276.50	613.93
Taxes of earlier years	3.01	4.84
Deferred Tax	(133.49)	151.10
Total Income Tax Expenses (excluding deferred tax benefit on OCI)	146.02	769.87

Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate

(₹ in Million)

Particulars	31st March 2020	31st March 2019
Profit Before Tax	1,012.19	2,191.70
Statutory Tax Rate (%)	25.168%	34.944%
Tax at statutory rate	254.75	765.87
Effect of income that is exempt from tax	(0.17)	(1.55)
Effect of expenses that are not deductible in determining taxable profit	17.58	12.02
Tax effect of income not chargeable to tax in calculating taxable income	(0.73)	-
Effect of tax on special rate income	3.34	(1.25)
Effect of tax deduction under section 35AC ,35(i) (ii) & 80G	(1.04)	(9.20)
Effect of deferred tax balances due to change in income tax rate from 34.944 %to 25.168% (effective 01.04.19)	(123.54)	-
Deferred Tax on other comprehensive income	(5.20)	2.34
Effect of interest on tax	0.04	-
Others	(2.02)	(3.20)
	143.01	**765.03**

Notes to the Consolidated Financial Statements (Contd.)

(₹ in Million)

Particulars	31st March 2020	31st March 2019
Adjustments recognised in the current year in relation to the current tax of prior years	3.01	4.84
Income tax expense recognised in profit or loss	146.02	769.87
Effective Tax Rate	14.43%	35.13%

43. SEGMENT INFORMATION

The Group's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segments is identified based on the geographical location of the customers as per IND AS 108 – 'Operating Segments'. The Group is principally engaged in a single business segment viz., "Dyes, Dyes Intermediates and Basic Chemicals".

The geographical segment has been considered for disclosure as secondary segment.

Two secondary segments have been identified based on the geographical locations of customers i.e. domestic and export. Information about geographical segments are as below.

1. Information about Geographical Areas

(₹ in Million)

Particulars	2019-2020			2018-2019		
	Domestic Operations	External Operations	Total	Domestic Operations	External Operations	Total
Segment Revenue	8,603.65	5,144.54	13,748.19	8,132.54	6,102.48	14,235.02
Carrying Cost of Segment Assets	13,182.66	1,512.81	14,695.47	11,986.08	1,000.50	12,986.58

2. Information about Major Customers

No customers individually accounted for 10% or more revenue during financial year ending on 31st March 2020 and 31st March 2019

Particulars	2019-20	2018-19
Revenue from Top Customer	6%	9%
Revenue from Top 5 consumers	23%	28%

Notes to the Consolidated Financial Statements (Contd.)

44. RELATED PARTY TRANSACTIONS:

(a) List of Related Parties

I. Key Management Personnel (KMP)

1.	Shri Suresh J. Patel	Chairman& Managing Director
2.	Shri Bhavin S. Patel	Executive Director
3.	Shri Ankit S. Patel	Executive Director
4.	Shri Mayur B. Padhya	Chief Financial Officer
5.	Shri Ashutosh B. Bhatt	Company Secretary
6.	Shri Bipin R. Patel	Independent Director
7.	Shri Nalin Kumar	Independent Director
8.	Smt. Neha Huddar	Independent Director
9.	Shri Sunil K. Mehta	Independent Director (w.e.f. 13th December 2017)
10.	Shri Parin D. Shah	Independent Director (Upto 5th July 2019)
11.	Shri Kishorkumar Radadiya	Director (w.e.f 1st September 2019 & up to 29th February 2020)
12.	Shri Ramprasad Shrivastava	Independent Director (w.e.f. 13th August 2019)

II. Enterprise under significant influence of key management personnel (Enterprise)

(i) Shanti Inorgo Chem (Guj.) Pvt. Ltd.

III. Associate Concern (AC)

(i) Trion Chemicals Pvt. Ltd. (Upto 30th June 2018)

Notes to the Consolidated Financial Statements (Contd.)

b) Transactions with related parties

(₹ in Million)

Related party disclosure	Relationship	2019-2020	2018-2019
Remuneration			
Shri Suresh J. Patel	KMP	16.20	10.80
Shri Bhavin S. Patel	KMP	10.80	7.20
Shri Ankit S. Patel	KMP	10.80	7.20
Shri Kishorkumar Radadiya	KMP	1.66	-
Shri Mayur B. Padhya	KMP	4.87	4.39
Shri Ashutosh B. Bhatt	KMP	1.07	0.92
Employees Stock Option			
Shri Mayur B. Padhya	KMP	0.76	-
Shri Ashutosh B. Bhatt	KMP	0.14	-
Director Commission			
Shri Suresh J. Patel	KMP	38.40	43.50
Shri Bhavin S. Patel	KMP	27.50	32.50
Shri Ankit S. Patel	KMP	27.50	32.50
Directors' Sitting Fees			
Shri Bipin R. Patel	KMP	-	0.08
Shri Nalin Kumar	KMP	0.18	0.10
Smt. Neha Huddar	KMP	0.17	0.10
Shri Sunil K. Mehta	KMP	0.16	0.13
Shri Parin D. Shah	KMP	0.03	0.02
Shri Ramprasad Shrivastava	KMP	0.05	-
Loan Given			
Trion Chemicals Pvt. Ltd.	AC	-	60.26
Loan Received Back			
Trion Chemicals Pvt. Ltd.	AC	-	17.90
Loan Received			
Shri Suresh J. Patel	KMP	55.00	53.70
Shri Bhavin S. Patel	KMP	12.20	8.55
Shri Ankit S. Patel	KMP	128.50	11.85
Loan Repaid			
Shri Suresh J. Patel	KMP	54.99	173.80
Shri Bhavin S. Patel	KMP	12.49	8.23
Shri Ankit S. Patel	KMP	129.24	15.30
Purchases of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	9.92	10.17
Purchases of Other Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	-	0.06

Notes to the Consolidated Financial Statements (Contd.)

(₹ in Million)

Related party disclosure	Relationship	2019-2020	2018-2019
Amortisation of Right of Use of Assets			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.30	-
Interest Expense on Lease Liability			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.08	-
Rent Expense			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	-	0.68
Dividend Paid			
Shri Suresh J. Patel	KMP	59.38	28.36
Shri Bhavin S. Patel	KMP	16.79	7.57
Shri Ankit S. Patel	KMP	11.62	5.48
Shri Mayur B. Padhya	KMP	0.29	0.14
Shri Ashutosh B. Bhatt	KMP	-	-
Proceeds from Redemption of Pref. Shares			
Trion Chemicals Pvt. Ltd.	AC	-	35.13
Interest Income			
Trion Chemicals Pvt. Ltd.	AC	-	8.33
Sales of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	38.26	56.06
Related Party Balances as at the year end.			
Amount Payable			
As Unsecured Loan			
Shri Suresh J. Patel	KMP	0.19	0.17
Shri Bhavin S. Patel	KMP	0.06	0.35
Shri Ankit S. Patel	KMP	0.10	0.85
As Trade Payables			
Shri Suresh J. Patel	KMP	16.63	12.01
Shri Bhavin S. Patel	KMP	14.03	10.23
Shri Ankit S. Patel	KMP	16.44	10.88
Shri Kishorkumar Radadiya	KMP	0.15	-
Shri Mayur B. Padhya	KMP	0.19	0.17
Shri Ashutosh B. Bhatt	KMP	0.08	0.07
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.47	0.07
Amounts Receivable			
As Trade Receivables			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	11.58	15.06
As Capital Advance			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	56.42	56.42

Notes:-

(i) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

Notes to the Consolidated Financial Statements (Contd.)

45. EARNINGS PER SHARE

Particulars	2019-20	2018-19
Net Profit/(Loss) after Tax as per Statement of Profit and Loss (₹ In Million)	876.30	1,431.99
Weighted average number of Equity Shares	12,23,30,165	12,21,88,765
Basic EPS (₹)	7.16	11.56
Diluted EPS (₹)	7.16	11.54
Nominal Value per Share (₹)	2	2

45.1 Details used in calculation of Diluted EPS

	2019-20	2018-19
Net Profit/(Loss) after Tax as per Statement of Profit and Loss (₹ In Million)	876.30	1,431.99
Nominal Value per Share (₹)	2	2
Weighted average number of Equity Shares used for Basic EPS	12,23,30,165	12,21,88,765
Share deemed to be issued in respect of employee options & Share Warrants	-	83,755
Weighted average number of Equity Shares used for diluted EPS	12,23,30,165	12,22,72,520

Notes :

For the year ended 31st March 2020, number of options (Equity Share Warrants* & Employee Stock Options@) to purchase equity shares had an anti-dilutive effect.

* Refer note 52

@ Refer note 51

46. EMPLOYEE BENEFITS

Defined Contribution Plan

(₹ in Million)

Particulars	2019-20	2018-19
Employer's contribution to Provident Fund	25.56	19.93
Employer's contribution to E.S.I.C.	5.58	2.38

Defined Benefits Plan

Gratuity: The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of qualifying insurance policy.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Group's Financial Statements based on actuarial valuations being carried out as at 31st March 2019.

Notes to the Consolidated Financial Statements (Contd.)

Balance Sheet disclosures

(a) The amounts disclosed in the consolidated Balance Sheet and the movements in the defined benefit obligation over the year:

(₹ in Million)

Particulars	31st March 2020	31st March 2019
Liability at the beginning of the year	66.37	49.37
Addition due to Acquisition of Subsidiary	2.75	0.31
Interest Costs	4.84	3.69
Current Service Costs	11.83	8.76
Past Service Cost	-	-
Benefits paid	(1.30)	(1.37)
Actuarial (Gain)/Loss on obligations due to change in		
- Demography	(0.04)	-
- Financials	(19.79)	1.05
- Experience	(1.41)	4.56
Liability at the end of the year	**63.25**	**66.37**

(b) Movements in the fair value of plan assets

Particulars	31st March 2020	31st March 2019
Fair value of plan assets at the beginning of the year	51.09	43.54
Interest Income	4.08	3.54
Expenses deducted from the Fund	-	-
Expected return on plan assets	(0.59)	(1.10)
Contributions	8.60	6.48
Benefits paid	(1.30)	(1.37)
Fair value of plan assets at the end of the year	**61.88**	**51.09**

(c) Net liability disclosed above relates to

Particulars	31st March 2020	31st March 2019
Fair value of plan assets at the end of the year	61.88	51.09
Liability as at the end of the year	63.25	66.37
Net (Liability)/Asset	(1.37)	(15.28)
Non-Current Portion	(1.37)	(5.15)
Current Portion	(-)	(10.13)

(d) Balance Sheet Reconciliation

Particulars	31st March 2020	31st March 2019
Opening Net liability	15.28	5.83
Addition due to Acquisition of Subsidiary	2.74	0.32
-Expenses recognised in the Statement of consolidated P&L	12.59	8.91
-Expenses / (Income) recognised in the consolidated OCI	(20.65)	6.70
-Employer's Contribution	(8.60)	(6.48)
Amount recognised in the Balance Sheet	1.37	15.28

Notes to the Consolidated Financial Statements (Contd.)

Profit & Loss Disclosures

(a) Net interest Cost for Current period

Particulars	31st March 2020	31st March 2019
Interest Cost	4.84	3.69
Interest Income	4.08	3.54
Net interest Cost/(Income)	**0.76**	**0.15**

(b) Expenses recognised in the consolidated profit & loss

Particulars	31st March 2020	31st March 2019
Net Interest Cost/(Income)	0.76	0.15
Expenses deducted from the Fund	-	-
Current Service Cost	11.83	8.76
Past service cost and loss/(gain) on curtailments and settlement	-	-
Expenses recognised in the consolidated profit & loss	**12.59**	**8.91**

(c) Expenses recognised in the consolidated Other Comprehensive Income

Particulars	31st March 2020	31st March 2019
Remeasurement		
Expected return on plan assets	0.59	1.10
Addition due to Acquisition of Subsidiary	-	(0.01)
Actuarial (Gain) or Loss	(21.24)	5.61
Net Income / Expenses recognised in OCI	**(20.65)**	**6.70**

Sensitivity Analysis

Particulars	31st March 2020	31st March 2019
Projected Benefit obligation on current assumptions		
Data effect of change in Rate of		
-Discounting by +0.5%	56.73	62.93
-Salary Increase by +0.5%	62.13	69.37
-Employee Turnover by +10%	60.07	66.42
Data effect of change in Rate of		
-Discounting by -0.5%	62.26	70.12
-Salary Increase by -0.5%	56.85	63.46
-Employee Turnover by +10%	58.60	66.27

Significant Actuarial Assumptions

Particulars	31st March 2020	31st March 2019
Discount Rate	6.85%	7.55%
Salary Escalation	4.00%	8.00%
Attrition Rate	2%-10%	2%-10%

Notes to the Consolidated Financial Statements (Contd.)

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

The rate used to discount other long-term employee benefit obligation (both funded and unfunded) shall be determined by reference to market yield at the Balance Sheet date on high quality corporate bonds. The currency and term of the corporate bond or government bond shall be consistent with currency and estimated term of the post employment benefit obligation.

The estimated term of the Obligation is around 11.67 years. The yields on the government bonds as at the valuation date were 6.85% (P.Y: 7.55%).

47. GROUP INFORMATION

Sr No.	Name of Company	Principal Place of Business	Effective Proportion of Ownership Interest (%) (31st March 2020)	Effective Proportion of Voting Power Held (%) (31st March 2020)
1	SPS Processors Pvt. Ltd. – Subsidiary	India	70.00%	70.00%
2	Trion Chemicals Pvt. Ltd. – Subsidiary	India	100.00%	100.00%
3	Bodal Chemicals Trading Pvt. Ltd. – Subsidiary w.e.f. 7th December, 2018	India	100.00%	100.00%
4	Bodal Chemicals Trading (Shijiazhuang) Co., Ltd. (w.e.f. 3rd January, 2019)	China	100.00%	100.00%
5	Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd. (w.e.f 8th August 2019)	Turkey	80.00%	80.00%
6	Bodal Bangla Ltd. (w.e.f. 22nd September 2019)	Bangladesh	100.00%	100.00%

Sr No.	Name of Company	Principal Place of Business	Effective Proportion of Ownership Interest (%) (31st March 2019)	Effective Proportion of Voting Power Held (%) (31st March 2019)
1	SPS Processors Pvt. Ltd. – Subsidiary	India	70.00%	70.00%
2	Trion Chemicals Pvt. Ltd. – Subsidiary	India	59.00%	59.00%
3	Bodal Chemicals Trading Pvt. Ltd. – Subsidiary w.e.f. 7th December 2018	India	100.00%	100.00%
4	Bodal Chemicals Trading (Shijiazhuang) Co., Ltd. (w.e.f. 3rd January 2019)	China	100.00%	100.00%

Notes to the Consolidated Financial Statements (Contd.)

48. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Million)

Particulars	As at 31st March 2020	As at 31st March 2019
(a) Contingent Liabilities		
1) Disputed matters in appeals/contested in respect of:		
i. Income Tax	69.93	67.14
ii. Excise	31.67	30.90
iii. Service Tax	3.42	3.42

Future cash outflows in respect of the above are determinable only on receipt of Judgments /decisions pending with various forums/authorities. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Group has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

2) Letter of Credit issued by bankers and outstanding as on 31st March 2020.	107.39	104.98
(b) Commitments		
i. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances.	26.09	32.33

49. TRANSITION TO IND AS 116 'LEASES'

With effect from 1st April 2019, the Group has adopted Ind AS 116 "Leases" and applied the standard to lease contracts existing on the date of initial application using the modified retrospective approach. The Group has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the Balance Sheet as on 31st March 2019. There is no impact on retained earnings as on 1st April 2019. The adoption of Ind AS 116, did not have any material impact on the financial result of the Group.

Disclosure under Ind AS 116 Leases:

(₹ in Million)

Particulars	Amount
Balance as at 1st April 2019	**-**
Lease Liabilities on account of adoption of Ind AS 116	1.36
Addition due to Business Combination	8.31
Finance Costs incurred during the year	0.76
Net Payments of Lease Liabilities	(2.43)
Balance as at 31st March 2020	**8.00**

Notes to the Consolidated Financial Statements (Contd.)

50. Process for closing the Manufacturing facilities of the group in Gujarat and Uttar Pradesh were started on 22nd March 2020, following countrywide lockdown due to COVID-19. The Group has since obtained required permissions and restarted its manufacturing facilities partially on 11th May 2020. Based on the immediate assessment of the impact of COVID-19 on the operations of the Group and on-going discussions with customers, vendors and service providers, the Management as of now believes of its ability to serve customers, obtain regular supply of raw materials and logistics services after resumption of the Operations. In assessing recoverability of trade receivables, the Group has considered subsequent recoveries, past trends, and internal and external information available up to the date of issuance of these Consolidated Financial Statements. In assessing recoverability of inventories, the Group has considered the latest selling prices and customers' orders on hand. The Group believes that there is no impact on its ability to meet its liabilities as and when they fall due. There is no material change in the internal control environment of the Group. However, the extent and duration of COVID-19 is currently unknown and depends on future development that are uncertain. Any resultant outcome and impact on business, due to this, is unpredictable. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of the assets including investments, loans and other receivables, the management has used internal and external sources of information to the extent determined by it, including economic forecasts as at the date of approval of these financial results. The impact of the same may differ from that estimated as at the date of approval of these financial results due to the impact of the pandemic and the Group will continue to closely monitor the developments.

51. SHARE BASED PAYMENTS

a) The Parent Company initiated the "ESOP 2017" for all eligible employees in pursuance of the special resolution approved by the Shareholders in the Annual General Meeting held on 23rd September 2017. The Scheme covers eligible employees (except promoters or those belonging to the promoters' group, independent directors and directors who either by himself or through his relatives or through any body-corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Parent Company). Under the Scheme, the Nomination and Remuneration Committee of directors of the Parent Company, administers the Scheme and grants stock options to eligible directors or employees of the Parent Company. The Committee determines the employees eligible for receiving the options and the number of options to be granted subject to overall limit of 1,000,000 options.

Option	Number of shares granted	Grant Date	Expiry Date	Exercise Price (₹)	Fair Value of the option (₹)
ESOP 2017 – II	162,900	21/05/2019	20/05/2021	50	68.09
ESOP 2017 - III	163,900	12/02/2020	11/02/2022	10	66.40

b) Compensation Expenses arising on account of the Share Based Payments

(₹ in Million)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Employee Share Based Payments (refer note 35)	10.47	14.20

Notes to the Consolidated Financial Statements (Contd.)

The relevant details of the Scheme are as under:

Particulars	Grant I	Grant II	Grant III
Date of Grant	13/01/2018	21/05/2019	12/02/2020
Date of Board/NRC Approval	13/01/2018	21/05/2019	12/02/2020
Date of Shareholders' Approval	23/09/2017	23/09/2017	23/09/2017
No. of Options Granted	146,200	162,900	163,900
Method of Settlement	Equity	Equity	Equity
Vesting Period	1 Year	1 Year	1 Year
Fair Value on the date of Grant	123.52	68.09	66.40
Exercise Period	1 Year	1 Year	1 Year
Vesting Conditions	As per Policy approved by Shareholders	As per Policy approved by Shareholders	As per Policy approved by Shareholders

Set out below is a summary of options granted under the plan:

Particulars	Grant I	Grant II	Grant III
Options Outstanding at the beginning of the year	1,46,200	-	-
Options granted during the year	-	1,62,900	1,63,900
Options exercised during the year	1,41,400	-	-
Options lapsed during the year	4,800	-	-
Options Outstanding at the end of the year	-	1,62,900	1,63,900

Particulars	Grant I	Grant II	Grant III
Date of Grant	13/01/2018	21/05/2019	12/02/2020
Stock Price at the date of grant	168.70	115.40	76.45
Exercise Price	50.00	50.00	10.00
Expected Volatility	31.00%	42.83%	46.11%
Expected Life of the Option	1 Year	1 Year	1 Year
Risk Free Interest Rate	7.45%	7.30%	7.74%
Weighted average fair value of options granted during the year	123.52	68.09	66.40

Notes to the Consolidated Financial Statements (Contd.)

52. MONEY RECEIVED AGAINST SHARE WARRANTS:

In terms of approval of shareholders of the Parent Company through postal ballot, of which result has been declared on 28th June 2019, and as per the applicable provisions of Securities and Exchange Board of India (ICDR) Regulations, 2018, the Parent Company has allotted 1,50,00,000 warrants on preferential basis on 12th July 2019, to promoters' group and non-promoters at ₹ 115/- each to be converted into equal number of equity shares of ₹ 2/- each at a premium of ₹ 113/- per share on exercise of the option of conversion by the warrant holders within 18 months from the date of the allotment of warrants i.e. 12th July 2019.

As per terms and conditions of said issue, the Group has received ₹ 28.75 per warrant i.e. 25% of ₹ 115/-, aggregating ₹ 431.25 Million for allotment of warrants from allottees.

Further, if warrant holders fail to pay balance money to exercise his/her right to convert the warrant into equity shares within 18 months, option attached to equity shares warrant shall stand lapsed and upfront payment of 25% money shall be fortified.

53. Additional information, as required under Schedule III to The Companies Act, 2013 of enterprises Consolidated as Subsidiary / Associates.

Name of the Entities	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ in Million)	As % of consolidated profit or loss	Amount (₹ in Million)	As % of consolidated profit or loss	Amount (₹ in Million)	As % of consolidated profit or loss	Amount (₹ in Million)
Parent								
Bodal Chemicals Ltd.	103.05%	9,601.82	117.95%	1,021.67	-580.24%	15.12	120.07%	1,036.79
Subsidiary								
SPS Processors Pvt. Ltd.	0.31%	29.28	-2.86%	-24.81	-12.51%	0.33	-2.84%	-24.48
Trion Chemicals Pvt. Ltd.	-1.95%	-181.95	-13.85%	-119.99	-9.75%	0.25	-13.87%	-119.74
Bodal Chemicals Trading (Shijiazhuang) Co., Ltd	0.09%	8.84	-0.36%	-3.10	9.22%	-0.24	-0.39%	-3.34
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	2.38%	221.84	0.90%	7.79	696.78%	-18.15	-1.20%	-10.36
Bodal Chemicals Trading Private Limited	0.05%	4.75	0.53%	4.61	0.00%	0.00	0.53%	4.61
Bodal Bangla Ltd.	0.01%	1.12	-0.04%	-0.35	-3.50%	0.09	-0.03%	-0.26
Inter-company eliminations & Consolidation adjustments	-3.94%	-367.62	-2.27%	-19.65	0.00%	0.00	-2.27%	-19.65
Total	**100.00%**	**9,318.08**	**100.00%**	**866.17**	**100.00%**	**-2.60**	**100.00%**	**863.57**

Notes to the Consolidated Financial Statements (Contd.)

54. The Group acquired further shares in Trion Chemicals Private Limited ("Trion") and raised its shareholding to 100% during the month of March, 2020. Accordingly, Trion has been considered as a wholly Owned Subsidiary of Bodal Chemicals Ltd.

A Scheme of Amalgamation of Trion Chemicals Private Limited (a wholly owned subsidiary) with the Parent Company (the "Scheme") has been approved by the Board of Directors of the Company at their meeting held on 27th May 2020, with appointed date of 1st April 2019. The Scheme is yet to be filled with the National Company Law Tribunal (NCLT). Pending the necessary regulatory approvals, the effect of the Scheme has not been given in the Consolidated Financial Statements.

55. BUSINESS COMBINATIONS

During the year, the Group has acquired the 80% stake in SEN-ER BOYA KIMYA TEKSTIL SAN.TIC. LTD (Sen-er) and Sen-er becomes subsidiary company of the Parent. The Parent Company has accounted for the said acquisition in its books as a business acquisition in terms of Ind AS 103 - 'Business Combinations'. Such Business Combination required that the assets and liabilities of Sen-er should be accounted at fair value in the Consolidated Financial Statements at acquisition date. The Parent Company for the purposes of allocation of Purchase price consideration, is in the process of making a final determination of fair values of intangible assets i.e. customer base as at the acquisition date i.e. 8th August 2019, which is expected to be completed within a year as stipulates time given by the Ind AS 103. Pending the final determination in this regard, the business combination has been accounted on the provisional fair values of customer base, if any, would be retrospectively applied on final determination of the fair values.

The purchase price has been allocated based on the management's estimates:

Goodwill arising on acquisition

	(₹ in Million)
Consideration transferred	317.94
Less: fair value of identifiable net assets acquired	185.76
Goodwill arising on acquisition	**132.18**

Net cash outflow on acquisition of subsidiary

	(₹ in Million)
Consideration paid in Cash	317.94
Less: Cash and cash equivalent balance acquired	(17.20)
The consideration for acquisition has been paid in cash.	**300.74**

Assets acquired and liabilities recognised at the date of acquisition

	(₹ in Million)
Current Assets	
Cash and cash equivalents	17.20
Trade and other receivables	371.64

Notes to the Consolidated Financial Statements (Contd.)

(₹ in Million)

Inventories	124.69
Non-Current assets	
Plant and equipment & Right of Use Asset	13.91
Other Non-Current Assets	1.31
Current liabilities	
Trade payable	163.61
Borrowing	40.80
Other Current Liabilities	84.77
Non-Current liabilities	
Non-Current Liabilities	7.37

Non –controlling interests

The non – controlling interest (20% ownership interest in Sen-er) is recognised at the acquisition date and amounted to ₹ 46.44 Million.

Impact of acquisitions on the results of the Group

Included in the profit for the year is ₹ 7.79 Million attributable to the additional business generated by Sen-er. Revenue for the year includes ₹ 472.79 Million in respect of Sen-er.

56. During the year, Sener Boya Kimya Tekstil Sanayi Ve Ticaret Anonim Sirketi, subsidiary of Bodal Chemicals Ltd at Turkey, incorporated Senpa Dis Ticaret Anonim Sirketi as a wholly owned subsidiary at Istanbul, Turkey on 5th December 2019. Hence, Senpa Dis Ticaret Anonim Sirketi is the step-down subsidiary of Bodal Chemicals Ltd.

57. Donation made to Political Party during the financial year 2019-20 under provisions of Section 182 of the Companies Act, 2013.

Name of Political Party	(₹ in Million)
Bharatiya Janta Party	0.01

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Bhavin S. Patel
Executive Director
DIN : 00030464

Mayur B. Padhya
Chief Financial Officer
Ahmedabad
July 6, 2020

Ashutosh B. Bhatt
Company Secretary

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Bodal Chemicals Ltd.®
COLOURS. INTEGRATION. INNOVATION.

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