CHEMCON SPECIALITY CHEMICALS LIMITED

(formerly known as chemcon speciality chemicals private limited)

CIN: U24231GJ1988PLC011652

BALANCE SHEET AS AT MARCH 31 ,2019

(INR in Million)

		Particulars	Note No.	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
I		**ASSETS**				
		Non-Current Assets				
	a)	Property, Plant & Equipment	3.1	395.42	296.41	244.97
	b)	Capital Work-in-Progress	3.1	6.70	-	-
	c)	Intangible assets	3.2	0.26	-	-
	d)	Financial Assets				
		i) Other Financial Assets	4	5.15	2.33	2.24
	e)	Other Non-Current Assets	5	1.58	6.80	3.35
		Total Non- Current Assets		**409.11**	**305.54**	**250.56**
		Current Assets				
	a)	Inventories	6	459.14	210.36	90.41
	b)	Financial Assets				
		i) Trade Receivables	7	641.18	295.56	223.88
		ii) Cash and Cash Equivalents	8.1	6.84	9.28	3.35
		iii) Bank Balances Other than ii) above	8.2	109.06	5.62	5.22
		iv) Other Financial Assets	9	13.46	13.87	0.23
	c)	Other Current Assets	10	91.54	130.43	53.15
		Total Current Assets		**1,321.22**	**665.12**	**376.24**
		TOTAL ASSETS		**1,730.33**	**970.66**	**626.80**
II		**EQUITY AND LIABILITIES**				
		Equity				
	a)	Equity Share Capital	11	317.78	79.44	79.44
	b)	Other Equity	12	652.52	456.78	191.16
		Total Equity		**970.30**	**536.22**	**270.60**
		Liabilities				
		Non-Current Liabilities				
	a)	Financial Liabilities				
		i) Borrowings	13	24.66	24.95	20.78
	b)	Non current Provisions	14	4.92	7.21	3.80
	c)	Deferred Tax Liabilities (Net)	15	24.34	16.20	16.11
		Total Non- Current Liabilities		**53.92**	**48.36**	**40.69**
		Current Liabilities				
	a)	Financial Liabilities				
		i) Borrowings	16	297.38	136.14	171.22
		ii) Trade Payables	17			
		-Total outstanding dues of micro and small enterprises		25.28	34.09	17.52
		-Total outstanding dues of creditors other than micro enterprises and small enterprises		263.44	138.67	70.15
		iii) Other Financial Liabilities	18	105.99	23.63	47.80
	b)	Other current Liabilities	19	6.71	48.30	4.31
	c)	Short term Provisions	20	7.31	5.24	4.51
		Total Current Liabilities		**706.11**	**386.07**	**315.51**
		TOTAL EQUITY AND LIABILITIES		**1,730.33**	**970.66**	**626.80**

Notes:

a) Refer accompanying notes 1 to 45 forming part of these Financial statements.

As per our report of even date attached

For Shah Mehta & Bakshi	**For and on behalf of the Board of Directors**	
Chartered Accountants	**CHEMCON SPECIALITY CHEMICALS LIMITED**	
Firm Registration No: 0103824W	CIN: U24231GJ1988PLC011652	
(Kalpit Bhagat)	**Kamal Aggrawal**	**Navdeep Goyal**
Partner	Managing Director	Chairman & Director
Membership No. 142116	DIN: 00139199	DIN: 02604876
	Rajesh Gandhi	**Shahilkumar Kapatel**
Place: Vadodara	Chief Financial Officer & Director	Company Secretary
Date: 14th June, 2019	DIN: 03296784	ACS : 52211

Note 3.2 : Intangible Assets

(INR in Million)

Particulars		As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
-Computer Software				
Opening Gross Carrying Value	(a)	-	-	-
Addition during the year	(b)	0.28	-	-
Deductions during the year	(c)	-	-	-
Closing Gross Carrying Value	**(a)+(b)-(c)=(d)**	0.28	-	-
Opening Depreciation/amortisation	**(e)**	-	-	-
Amortisation charged during the year	(f)	0.02	-	-
Reversal of depreciation during the year	(g)	-	-	-
Closing Depreciation/amortisation	**(e)+(f)+(g)=(h)**	0.02	-	-
Net Carrying Value	**(d)-(h)**	**0.26**	**-**	**-**

Note 4 : Non-Current Other Financial Assets

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
(Unsecured, Considered Good)			
Security Deposits	5.15	2.33	2.24
Total	**5.15**	**2.33**	**2.24**

Note 5 : Other Non- Current Assets

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
(Unsecured, Considered Good)			
Capital Advances	1.58	6.80	3.35
Total	**1.58**	**6.80**	**3.35**

There are no advances to related party.

Note 6 : Inventories *

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
(Valued at lower of Cost and net Realisable value)			
Raw Materials	143.71	59.72	42.15
Goods in Transit (Raw Materials)	169.30	107.83	22.76
Packing Material	1.08	0.39	1.36
Work-in-progress	84.63	34.88	20.33
Finished goods #	54.59	6.12	0.00
Other (Fuel)	0.20	0.21	1.63
Consumables and Stores	5.63	1.22	2.19
Total	**459.14**	**210.36**	**90.41**

** Hypothecated with Banks for Working Capital Facility.*
 # Represents value less than Rs. 0.01 Million.

Note 7 : Current Financial Trade Receivables *

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Trade Receivables considered good - Secured	-	-	-
Trade Receivables considered good - Unsecured	641.18	295.56	223.88
Trade Receivables which have significant increase in Credit Risk	-	-	-
Trade Receivables - Credit impaired	-	-	-
Total	**641.18**	**295.56**	**223.88**
Less: Allowance for bad & doubtful debts	-	-	-
Total	**641.18**	**295.56**	**223.88**

**Hypothecated with Banks for Working Capital Facility.*
**Receivables from Directors and their family/related party refer Note: 38*

Note 8 : Cash & Bank Balances

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
8.1 Cash & Cash Equivalents			
Balance with Banks:			
- In Current Accounts	1.85	8.78	0.24
- In Exchange earners' foreign currency account (EEFC) Account #	4.58	0.00	2.67
Cash on hand	0.41	0.50	0.44
Sub-Total (A)	**6.84**	**9.28**	**3.35**
8.2 Other Bank Balances			
- Fixed Deposit Accounts (With original maturity greater than 3 months but less than 12 months) *	109.06	5.62	5.22
Sub-Total (B)	**109.06**	**5.62**	**5.22**
Total (A+B)	**115.90**	**14.90**	**8.57**

* Fixed Deposits are held as margin money and lien marked against working capital facility maturing within 12 months from reportin date.
 # Represents value less than Rs. 0.01 Million.

Note 9 : Other Financial Assets

(INR in Million)

Particulars	As at * 31-Mar-19	As at * 31-Mar-18	As at 1-Apr-17
(Unsecured, Considered Good)			
Other Receivables	13.46	13.87	0.23
Total	**13.46**	**13.87**	**0.23**

There are no loans given to Directors and Related Parties by the Company.
** Other Receivables include Insurance claim receivable amounting Rs. 13.31 Million. Refer Note : 41*

Note 10 : Other Current Assets

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
(Unsecured, Considered Good)			
Advances recoverable in cash or in kind or for the value to be received			
- Advances to Related Party *	10.31	10.31	11.81
- Advances to others	4.01	92.79	2.60
Loans to Employees and other advances	0.96	0.91	0.36
Balances with Revenue Authorities	41.46	22.41	37.56
Income Tax refundable (FY 2018-19)	14.72	-	-
Prepaid Expenses	7.53	4.00	0.81
Transaction costs of an equity transaction (IPO related Expenses) #	12.56	-	-
Total	**91.54**	**130.43**	**53.15**

*Refer Note 38 - Related Party Disclosures

 # Transaction costs of an equity transaction

Under Ind AS 32 ,The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. Since comapny has not received proceed from issue of share capital management has accounted transaction costs of an equity transaction under the head Other current asset. Once comapny will receive the proceed from issue of share Transaction costs of an equity transaction accumulated will be adjusted with the retained earning under Reserve & surplus .

CHEMCON SPECIALITY CHEMICALS LIMITED

(formerly known as chemcon speciality chemicals private limited)

CIN: U24231GJ1988PLC011652

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

Note 13 : Non-Current Financial Borrowings

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Secured			
Term Loans:			
- From Banks	26.64	23.22	17.51
- From Financial institutions	7.07	9.58	13.15
	33.71	**32.80**	**30.66**
Less: Current portion	9.05	7.85	9.87
Total (A+B)	**24.66**	**24.95**	**20.78**

13.1	Name of Institution/ Bank/ Others	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
1	**HDFC Bank - Property Loan #**			
	Sanctioned amount	14.50	14.50	14.50
	Outstanding Amount	8.40	9.80	11.04
	Current Portion	1.57	1.40	1.24
	Non-Current Portion	6.83	8.40	9.80
	Repayment terms			
	Repayable in 120 equal monthly instalments each of Rs. 0.21 Million.			
	Rate of interest 12% p.a.			
2	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	5.55	5.55
	Outstanding Amount	-	0.23	1.54
	Current Portion	-	0.23	1.31
	Non-Current Portion	-	-	0.23
	Repayment terms			
	Repayable in 60 equal monthly instalments each of Rs. 0.12			
	Rate of interest 9.6% p.a.			
3	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	1.34	1.34
	Outstanding Amount	-	0.09	0.58
	Current Portion	-	0.09	0.49
	Non-Current Portion	-	-	0.09
	Repayment terms			
	Repayable in 36 equal monthly instalments each of Rs. 0.04 Million.			
	Rate of interest 12.01% p.a.			
4	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	2.05	2.05
	Outstanding Amount	-	0.26	0.99
	Current Portion	-	0.26	0.73
	Non-Current Portion	-	-	0.26
	Repayment terms			
	Repayable in 36 equal monthly instalments each of Rs. 0.07 Million.			
	Rate of interest 9.8% p.a.			
5	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	2.05	2.05
	Outstanding Amount	-	0.26	0.99
	Current Portion	-	0.26	0.73
	Non-Current Portion	-	-	0.26
	Repayment terms			
	Repayable in 36 equal monthly instalments each of Rs. 0.07 Million.			
	Rate of interest 9.8% p.a.			
6	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	2.70	2.70
	Outstanding Amount	-	0.51	1.45
	Current Portion	-	0.51	0.94
	Non-Current Portion	-	-	0.51
	Repayment terms			
	Repayable in 36 equal monthly instalments each of Rs. 0.09 Million.			
	Rate of interest 9.7% p.a.			
7	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	-	0.60
	Outstanding Amount	-	-	0.20
	Current Portion	-	-	0.20
	Non-Current Portion	-	-	-
	Repayment terms			
	Repayable in 36 equal monthly instalments each of Rs. 0.02 Million.			
	Rate of interest 10.25% p.a.			

8	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	-	0.44
	Outstanding Amount	-	-	0.15
	Current Portion	-	-	0.15
	Non-Current Portion	-	-	-
	Repayment terms			
	Repayable in 36 equal monthly instalments each of Rs. 0.01 Million.			
	Rate of interest 10.25% p.a.			
9	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	-	0.45
	Outstanding Amount	-	-	0.15
	Current Portion	-	-	0.15
	Non-Current Portion	-	-	-
	Repayment terms			
	Repayable in 36 equal monthly instalments each of Rs. 0.01 Million.			
	Rate of interest 10.25% p.a.			
10	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	-	0.45
	Outstanding Amount	-	-	0.15
	Current Portion	-	-	0.15
	Non-Current Portion	-	-	-
	Repayment terms			
	Repayable in 36 equal monthly instalments each of Rs. 0.01 Million.			
	Rate of interest 10.25% p.a.			
11	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	-	0.41
	Outstanding Amount	-	-	0.14
	Current Portion	-	-	0.14
	Non-Current Portion	-	-	-
	Repayment terms			
	Repayable in 36 equal monthly instalments each of Rs. 0.01 Million.			
	Rate of interest 10.25% p.a.			
12	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	-	0.41
	Outstanding Amount	-	-	0.14
	Current Portion	-	-	0.14
	Non-Current Portion	-	-	-
	Repayment terms			
	Repayable in 36 equal monthly instalments each of Rs. 0.01 Million.			
	Rate of interest 10.25% p.a.			
13	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	3.05	3.05	-
	Outstanding Amount	1.74	2.68	-
	Current Portion	1.02	0.94	-
	Non-Current Portion	0.72	1.74	-
	Repayment terms			
	Repayable in 37 equal monthly instalments each of Rs. 0.09 Million.			
	Rate of interest 8% p.a.			
14	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	9.40	9.40	-
	Outstanding Amount	7.81	9.40	-
	Current Portion	1.72	1.59	-
	Non-Current Portion	6.08	7.81	-
	Repayment terms			
	Repayable in 60 equal monthly instalments each of Rs. 0.19 Million .			
	Rate of interest 8% p.a.			
15	**Volkswagen Finance Pvt Ltd - Vehicle loan***			
	Sanctioned amount	-	-	8.00
	Outstanding Amount	-	-	1.14
	Current Portion	-	-	1.14
	Non-Current Portion	-	-	-
	Repayment terms			
	Repayable in 60 equal monthly instalments each of Rs. 0.17 Million.			
	Rate of interest 10.42% p.a.			
16	**Volkswagen Finance Pvt Ltd - Vehicle loan***			
	Sanctioned amount	8.00	8.00	8.00
	Outstanding Amount	4.81	6.23	7.66
	Current Portion	1.62	1.49	1.36
	Non-Current Portion	3.19	4.74	6.30
	Repayment terms			
	Repayable in 60 equal monthly instalments each of Rs. 0.17 Million.			
	Rate of interest 8.75% p.a.			

17	**Daimler Financial Services India Pvt Ltd- Vehicle Loan***			
	Sanctioned amount	4.50	4.50	4.50
	Outstanding Amount	2.26	3.35	4.34
	Current Portion	1.19	1.09	1.00
	Non-Current Portion	1.07	2.26	3.35
	Repayment terms			
	Repayable in 48 equal monthly instalments each of Rs. 0.11 Million.			
	Rate of interest 8.81% p.a.			
18	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	6.34	-	-
	Outstanding Amount	5.73	-	-
	Current Portion	1.12	-	-
	Non-Current Portion	4.61	-	-
	Repayment terms			
	Repayable in 60 equal monthly instalments each of Rs. 0.13 Million.			
	Rate of interest 8.5% p.a.			
19	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	2.90	-	-
	Outstanding Amount	2.43	-	-
	Current Portion	0.68	-	-
	Non-Current Portion	1.75	-	-
	Repayment terms			
	Repayable in 48 equal monthly instalments each of Rs. 0.07 Million.			
	Rate of interest 8.5% p.a.			
20	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	0.59	-	-
	Outstanding Amount	0.53	-	-
	Current Portion	0.13	-	-
	Non-Current Portion	0.40	-	-
	Repayment terms			
	Repayable in 48 equal monthly instalments each of Rs. 0.01 Million.			
	Rate of interest 9.5% p.a.			
	Total Borrowings	**33.71**	**32.80**	**30.66**
	Current Portion	**9.05**	**7.85**	**9.87**
	Non-Current Portion	**24.66**	**24.95**	**20.78**

Nature of securities:

HDFC Bank - Property Loan secured by by way of Equitable Mortgage of property.

***** All vehicle loans secured by way of Hypothecation such vehicles.

Note 14 : Non Current Provisions

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Provision for Employee Benefits (Refer Note 35)			
-Gratuity	4.64	7.05	3.69
-Unavailed Leave	0.28	0.16	0.11
Total	**4.92**	**7.21**	**3.80**

Note 15 : Deferred Tax

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Deferred Tax Liability			
Temporary difference in the carrying amount of property, plant and equipment	26.69	19.53	17.66
Net Deferred Tax Liability (A)	**26.69**	**19.53**	**17.66**
Deferred Tax Asset			
Expenses allowed on payment basis	2.05	2.94	1.55
On Account of Prelimnery Expenses	0.30	0.40	-
Net Deferred Tax Assets (B)	**2.35**	**3.33**	**1.55**
Net Deferred Tax Liability/(Assets) (A-B)	**24.34**	**16.20**	**16.11**

15.1 Movement in deferred tax Liabilities/(assets)

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Opening balance as of April 1	16.20	16.11	14.24
Tax (income)/expense during the period recognised in Satatement of profit and loss	6.33	(0.81)	0.99
Tax (income)/expense during the period recognised in Other Comprehensive Income	1.81	0.90	0.87
Closing balance as at March 31	**24.34**	**16.20**	**16.11**

Note 16 : Current Financial Borrowings

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Secured Loans from banks			
- Working Capital Loans	260.28	82.40	140.99
- Buyer Credit Loan	-	-	10.24
- Export Packing Credit Loan	-	26.62	19.98
Sub-Total (A)	**260.28**	**109.02**	**171.21**
Unecured			
Loans from related parties repayable on demand			
- From Directors and Others *	37.10	27.12	0.02
Sub-Total (B)	**37.10**	**27.12**	**0.02**
Total (A+B)	**297.38**	**136.14**	**171.22**

Rate of interest on working capital loans	Base rate + 1.55%	Base rate + 1.55%	Base rate + 1.55%
Rate of interest on Buyer Credit Loan and Export Packing Credit Loan	As mutually agreed at the time of disbursement		

Nature of security :

HDFC Bank Cash Credit Account, working capital demand loan, Buyer Credit Loan and Export Packing Credit Loan is secured against First and exclusive hypothecation charge on all the current assets of the company & entire fixed asset (Both movable and Immovable assets) of the company both present and future. Extension of Charge on the property located at 901 & 902, 9th Floor, ONYX Business Center, Akshar Chowk - Baroda -390020 . There is personal

* Unsecured loan from Directors and Others includes loans accepted by the comapny from the person in the capacity of director at time of acceptance of loan. Refer Note 38 - Related Party Disclosures

Note 17 : Current Financial Trade Payables

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Trade Payables			
- Total outstanding dues of micro and small enterprises *	25.28	34.09	17.52
- Total outstanding dues of creditors other than micro enterprises and small enterprise	263.44	138.67	70.15
Total	**288.72**	**172.75**	**87.67**

* The details of amounts outstanding to Micro, Small and Medium Enterprises as identified by the management, under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are as under:

(INR in Million)

Sr. No.	Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
1	Principal amount due and remaining unpaid	-	-	-
2	Interest due on (1) above and the unpaid interest	-	-	-
3	Interest paid on all delayed payment under the MSMED Act	-	-	-
4	Payment made beyond the appointed day during the year	-	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-	-
6	Interest accrued and remaining unpaid	-	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-	-

* This information has been determined to the extent parties have been identified based on confirmation received from parties. Based on current information/confirmations available with the company, there are no overdues payable to suppliers who are registered under the relevant Act.

Note 18 : Other Current Financial Liabilities

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Current Maturities of Long term Borrowings (Refer Note: 13)	9.05	7.85	9.87
Creditor for capital goods	7.62	5.00	15.25
Director Remuneration payable *	89.32	10.79	22.67
Total	**105.99**	**23.63**	**47.80**

** Refer Note 38 - Related Party Disclosures.*

Note 19 : Other Current Liabilities

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Advance from Customers	2.35	9.11	0.56
Statutory dues	4.36	2.58	0.72
Income Tax Payable (Net of advance tax and TDS)	-	36.61	3.04
Total	**6.71**	**48.30**	**4.31**

Note 20 : Short term Provisions

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Provision for Employee Benefits			
-Salary & Wages	4.54	2.72	2.45
-Gratuity (Refer Note 35)	1.27	1.66	0.88
-Unavailed Leave (Refer Note 35)	0.02	0.01	0.01
Provision for other expense	1.49	0.85	1.17
Total	**7.31**	**5.24**	**4.51**

CHEMCON SPECIALITY CHEMICALS LIMITED

(formerly known as chemcon speciality chemicals private limited)

CIN: U24231GJ1988PLC011652

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

(INR in Million)

	Particulars	Note No.	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
	Income			
I	Revenue from Operations	21	3,041.68	1,583.07
II	Other Income	22	1.48	1.65
	Total Income (I+II)		**3,043.16**	**1,584.72**
III	**Expenses**			
	Cost of Materials Consumed	23	1,937.29	794.63
	Changes in inventories of finished goods and work-in-progress	24	(98.23)	(20.67)
	Excise Duty		-	4.86
	Employee Benefit expenses	25	69.84	60.13
	Finance costs	26	40.02	30.36
	Depreciation and Amortisation expenses	27	28.64	22.59
	Other expenses	28	453.57	287.32
	Total Expenses		**2,431.13**	**1,179.22**
IV	**Profit before tax**		612.03	405.51
V	**Less/ (Add): Tax expenses:**			
	- Current Tax		175.29	142.51
	- Deferred Tax (Credit)/Charge	15	6.33	(0.81)
VI	**Profit/(Loss) After Tax**		**430.41**	**263.81**
VII	**OTHER COMPREHENSIVE INCOME**			
	Items that will not be reclassified subsequently to Profit and Loss			
	Remeasurement of Gains/(Losses) on defined benefit Plans	35	5.48	2.71
	Income Tax relating to items that will not be reclassified to Profit & Loss	15	(1.81)	(0.90)
	Other Comprehensive Income(expense)/ income, Net of Tax		**3.67**	**1.81**
VIII	**Total Comprehensive Income for the Year/Period (V+VII)**		**434.08**	**265.62**
IX	**Earnings Per Equity Share**	44		
	a) Basic (Rs.)		13.54	8.30
	b) Diluted (Rs.)		13.54	8.30

Notes:

a) Refer accompanying notes 1 to 45 forming part of these Financial statements.

As per our report of even date attached
For Shah Mehta & Bakshi
Chartered Accountants
Firm Registration No: 0103824W

For and on behalf of the Board of Directors
CHEMCON SPECIALITY CHEMICALS LIMITED
CIN: U24231GJ1988PLC011652

(Kalpit Bhagat)
Partner
Membership No. 142116

Kamal Aggrawal
Managing Director
DIN: 00139199

Navdeep Goyal
Chairman & Director
DIN: 02604876

Rajesh Gandhi
Chief Financial Officer & Director
DIN: 03296784

Shahilkumar Kapatel
Company Secretary
ACS : 52211

Place: Vadodara
Date: 14th June, 2019

CHEMCON SPECIALITY CHEMICALS LIMITED

(formerly known as chemcon speciality chemicals private limited)

CIN: U24231GJ1988PLC011652

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

(INR in Million)

	Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Tax	612.03	405.51
	Adjustment for:		
	Depreciation and Amortization expense	28.64	22.59
	(Profit)/ Loss on assets sold	0.51	(0.55)
	Finance Cost	40.02	30.36
	Interest received from Banks/ Others	(1.48)	(1.10)
	Operating Profit before Working Capital Changes	679.72	456.81
	Adjustment for:		
	Change in Trade receivables	(345.63)	(71.68)
	Change in Other Non-current financial assets	(2.83)	(0.09)
	Change in Other current financial assets	0.42	(13.64)
	Change in Other assets	44.10	(80.72)
	Change in Inventories	(248.78)	(119.95)
	Change in Trade payables	115.97	85.09
	Change in Other financial liabilities	82.36	(24.17)
	Change in Other current liabilities and provisions	(36.34)	50.84
	Cash generated from Operations	289.00	282.48
	Less : Income tax	175.29	142.51
	Net Cash generated from Operating Activities (A)	**113.71**	**139.97**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant & Equipment, Investment Property & Intangibles	(142.73)	(80.68)
	Sale proceeds of Property, Plant & Equipment	7.60	7.21
	Interest received from Banks/ Others	1.48	1.10
	Net Cash used in Investing Activities (B)	**(133.65)**	**(72.37)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Finance cost	(40.02)	(30.36)
	Proceeds/(Repayment) of Short term Borrowings	161.24	(35.09)
	Proceeds/(Repayment) of Long term Borrowings	(0.29)	4.17
	Net Cash used in Financing Activities (C)	**120.93**	**(61.28)**
	Net (Decrease)/ Increase in Cash & Cash Equivalents (A) + (B) + (C)	100.99	6.32
	Cash & Cash Equivalents at the beginning of the period/year	14.90	8.57
	Cash & Cash Equivalents at the end of the period/year (Refer Note : 8.1 & 8.2)	**115.89**	**14.90**

Notes:

a) Refer accompanying notes 1 to 45 forming part of these Financial statements.

b) Purchase of Property, Plant & Equipment, Investment Property & Intangibles includes movements of capital work-in-progress during the ye

c) Previous Year figures have been regrouped when necessary to conform to the year's classification.

d) The above statement of cash flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flows as notified under Companies (Indian Accounting Standards) Rules, 2015.

As per our report of even date attached

For Shah Mehta & Bakshi
Chartered Accountants
Firm Registration No: 0103824W

For and on behalf of the Board of Directors
CHEMCON SPECIALITY CHEMICALS LIMITED
CIN: U24231GJ1988PLC011652

(Kalpit Bhagat)
Partner
Membership No. 142116

Kamal Aggrawal
Managing Director
DIN: 00139199

Navdeep Goyal
Chairman & Director
DIN: 02604876

Rajesh Gandhi
Chief Financial Officer & Director
DIN: 03296784

Shahilkumar Kapatel
Company Secretary
ACS : 52211

Place: Vadodara
Date: 14th June, 2019

CHEMCON SPECIALITY CHEMICALS LIMITED

(formerly known as chemcon speciality chemicals private limited)

CIN: U24231GJ1988PLC011652

STATEMENT OF CHANGE IN EQUITY AS AT MARCH 31, 2019

A. Equity Share Capital

(INR in Million)

	Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
(A)	Equity Share Capital			
	Balance at the beginning of the year	79.44	79.44	79.44
	Changes during the year (Refer Note no : 11)	238.33	-	-
	Balance at the end of the year	317.78	79.44	79.44

B. Other Equity

(INR in Million)

Particulars	Reserves & Surplus		Total
	Securities Premium Reserve	Retained Earning	
Balance as at 1st April 2017 as per Indian GAAP (A)	-	**194.30**	**194.30**
Ind AS Adjustments and restatement adjustments			
Adjustment on account of transition to Ind AS and restatement adjustments (B) (Refer Note No : 44)	-	(3.14)	(3.14)
Balance as at 1st April 2017 as per Ind AS (A)+(B)	**-**	**191.16**	**191.16**
Profit for the Year	-	263.81	263.81
Re-measurements of Net Defined Benefit Plans (Net of Tax)	-	1.81	1.81
Balance as at 31st March 2018	**-**	**456.78**	**456.78**
Profit for the Year	-	430.41	430.41
Bonus Issue	-	(238.33)	(238.33)
Re-measurements of Net Defined Benefit Plans (Net of Tax)	-	3.67	3.67
Balance as at 31st March 2019	**-**	**652.52**	**652.52**

Notes:

a) Refer accompanying notes 1 to 45 forming part of these Financial statements.

As per our report of even date attached
For Shah Mehta & Bakshi
Chartered Accountants
Firm Registration No: 0103824W

For and on behalf of the Board of Directors
CHEMCON SPECIALITY CHEMICALS LIMITED
CIN: U24231GJ1988PLC011652

(Kalpit Bhagat)
Partner
Membership No. 142116

Kamal Aggrawal
Managing Director
DIN: 00139199

Navdeep Goyal
Chairman & Director
DIN: 02604876

Rajesh Gandhi
Chief Financial Officer & Director
DIN: 03296784

Shahilkumar Kapatel
Company Secretary
ACS : 52211

Place: Vadodara
Date: 14th June, 2019

Note 21 : Revenue From Operations

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
REVENUE FROM SALE OF PRODUCTS		
- Domestic	1,966.93	764.11
- Export (Including deemed Export)	980.20	760.78
ADD : Excise duty Collected on Domestic sales	-	4.86
	2,947.14	1,529.76
REVENUE FROM SALE OF SERVICES		
Job Work	88.30	46.96
Other Operating Revenues		
Export Incentives	4.64	3.38
Lifting Charges Received	0.22	2.21
Sales Commission Received	1.08	0.49
Discount-Kasar	0.29	0.27
Total	**3,041.68**	**1,583.07**

Consequent to introduction of Goods and Service Tax ("GST") with effect from 1 July 2017, central excise and value added tax have been subsumed into GST. In accordance with Ind AS, GST is not considered a part of revenue unlike excise duties which used to be included in revenue in period before 1 July 2017. Accordingly, the figures for the year ending March 31, 2018 are not comparable with the current year and previous fiscal year(s).

Note 22 : Other Income

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
Interest Income :		
From Bank/Others	1.48	1.10
(Related to business and recurring in nature)		
Other non-operating income:		
Profit on sale of Property, Plant & Equipment (Net)	-	0.55
(Not related to business and non-recurring in nature)		
Total	**1.48**	**1.65**

Note 23 : Cost of Materials Purchase

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
Opening Stock of Raw Materials	167.94	66.26
(+) Purchase of Raw Materials	2,083.44	896.30
(-) Closing Stock of Raw Materials	314.09	167.94
Total cost of Raw Materials Consumed	**1,937.29**	**794.63**

Value of imported and indigenous raw materials Purchase

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
Indigenous	1,023.11	567.61
Imported	1,060.32	328.70
Total cost of Raw Materials Consumed	**2,083.44**	**896.30**

Percentage of imported and indigenous raw materials Purchase

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
Indigenous	49.11%	63.33%
Imported	50.89%	36.67%

Note 24 : Changes in inventories of finished goods and work-in-progress

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
Opening Stock		
Finished goods #	6.12	0.00
Work-in-progress/Semi Finished Goods	34.88	20.33
Sub- Total (A)	**41.00**	**20.33**
Less: Closing Stock		
Finished goods	54.59	6.12
Work-in-progress/Semi Finished Goods	84.63	34.88
Sub- Total (B)	**139.22**	**41.00**
Net (A-B)	**(98.23)**	**(20.67)**

 # Represents value less than Rs. 0.01 Million.

Note 25 : Employee Benefit expenses

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
Salaries, Wages, Bonus, Benefits and Amenities	60.21	48.25
Contribution to PF & Other Funds	1.41	1.42
Gratuity (Refer Note : 35)	3.97	7.52
Leave encashment (Refer Note : 35)	0.24	0.08
Employee Welfare Expenses	4.00	2.87
Total	**69.84**	**60.13**

Note 26 : Finance Costs

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
Interest		
- On Loans for Fixed Period	3.22	2.77
- On Other Loans / Liabilities	25.43	18.36
Other Borrowing Cost		
- Discounting & Other Bank Charges	11.36	9.23
Total	**40.02**	**30.36**

Note 27 : Depreciation and Amortization

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
Depreciation		
Property Plant & Equipment	28.61	22.59
Amortisation		
Intangible assets	0.02	-
Total	**28.64**	**22.59**

Note 28 : Other expenses

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
- MANUFACTURING EXPENSES		
Consumable Stores	5.74	12.34
Import Expenses	46.59	15.41
Freight Inward	4.82	6.70
Power Charges	20.92	16.10
Fuel Consumption	17.62	18.24
Repairs & maintenance - Machinery	4.20	4.24
Factory & Godown Expense	4.06	2.50
Jobwork Charges	91.90	15.84
Electrical Expenses	0.44	0.38
Security Service Expense	1.60	1.68
Laboratory & Testing Expense	0.46	0.31
Lifting Charges	6.78	4.43
Sub- Total (A)	**205.15**	**98.18**
- SELLING,MARKETING & DISTRIBUTION EXPENSES		
Freight Outward	23.06	16.63
Export Expense	10.61	11.99
Travelling & Conveyance	5.15	5.48
Exhibition Exp	3.46	3.46
Sales Commission	2.64	1.35
Other Selling, Marketing & Distribution expenses	0.37	0.56
Sub- Total (B)	**45.29**	**39.46**
- ADMINISTRATIVE & OTHER EXPENSES		
Directors Remuneration	171.29	127.92
Legal, Professional / Consultancy	8.66	5.68
Insurance Expense	4.41	2.87
Petrol & Vehicle Expense (Motor Car)	3.25	2.02
Transportation for employees	2.09	1.99
Repairs & Maintenance - Other	1.92	2.07
Rent Expense	3.85	1.18
Preliminary Expenses w/o	-	1.50
Donation	1.18	1.00
Contribution to CSR	4.58	-
Loss on disposal of Assets (Net)	0.51	-
Payment to Auditors	0.25	0.13
Bad Debts	-	0.54
Rates & Taxes	0.16	0.52
Other Administrative Expenses	0.98	2.25
Sub- Total (C)	**203.13**	**149.67**
Net (A+B+C)	**453.57**	**287.32**

Note 29 : Commitments and Contingent liabilities

(INR in Million)

Particulars	AS at 31-Mar-19	AS at 31-Mar-18
Contingent Liability		
Letters of Credit issued for purchase of Raw Materials	20.24	16.56

CHEMCON SPECIALITY CHEMICALS LIMITED
(formerly known as chemcon speciality chemicals private limited)
CIN: U24231GJ1988PLC011652
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 30 : Income tax expense

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
Current Tax		
Current tax on profits for the year	175.29	142.51
Deferred Tax on OCI		
Deferred Tax on OCI	1.81	0.90
Deferred tax		
Deferred tax adjustments	6.33	(0.81)
Tax expense	**183.43**	**142.60**

Note 31 : Payment to auditors

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
For Audit Fees	0.18	0.10
For Tax Audit Fees	0.08	0.03
Total	**0.25**	**0.13**

Note 32 : Expenditure in foreign currency

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
Exhibition	2.64	2.66
Consumble & Stores	-	0.19
Sales Commision	0.59	0.83
Import Expense	0.31	0.44
Membership & Subscription	0.21	-
Raw Material (Imported)(Including Goods in transit)	1,060.32	328.70

Note 33 : VALUE OF IMPORT ON CIF BASIS

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18 Proforma Ind AS
Raw Material	1,060.32	328.70

Note 34 : EARNINGS IN FOREIGN CURRENCY

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
Export of goods calculated on FOB basis	668.78	436.97

Note 11 : Equity Share Capital

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Authorised Capital			
As at 31-Mar-19 : 50 Million Equity Shares of Rs. 10/- each	500.00	80.00	80.00
As at 31-Mar-18 : 8 Million Equity Shares of Rs. 10/- each			
As at 1-Apr-17 : 8 Million Equity Shares of Rs. 10/- each			
Issued, Subscribed & Fully Paid-up Capital			
As at 31-Mar-19 : 31.78 Million Equity Shares of Rs. 10/- each fully paid up	317.78	79.44	79.44
As at 31-Mar-18 : 7.94 Million Equity Shares of Rs. 10/- each fully paid up			
As at 1-Apr-17 : 7.94 Million Equity Shares of Rs. 10/- each fully paid up			
Total Share Capital	**317.78**	**79.44**	**79.44**

a) Reconciliation of the number of Equity shares

(No of shares in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
Equity Share Capital			
Balance at the beginning of the year	7.94	7.94	7.94
Add Issued during the year			
- Bonus Equity Shares allotted during the year	23.83	-	-
Balance at the end of the year	31.78	7.94	7.94

b) Rights, Preferences & Restrictions of each class of shares

The Company has only one class of equity shares which enjoys the same rights in respect of voting, payment of dividend and repayment of capital. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c) Particulars of shares issued/allotted as fully paid-up by way of consideration other than cash

The Company has allotted 23.83 Million number of bonus equity shares in financial year 2018-19 in the proportion of 3 equity shares for every 1 equity shares held . The face value of bonus shares of Rs. 238.33 Million allotted out of reserves and surplus.

d) Particulars of shares reserved for options and contracts/commitments for sale of shares/ disinvestment

The Company has not reserved any shares for issue of options and contracts/commitments for sale of shares/ disinvestment.

e) Particulars of calls unpaid

There is no calls unpaid, hence such disclosure is not applicable.

f) Subdivision of Shares

There is no subdivision of shares during this period, hence such disclosure is not applicable.

g) Shares Forfeited

There is no forfeiture of shares, hence such disclosure is not applicable.

h) Details of Equity Shareholders holding more than 5% shares in the company:

(No of shares in Million)

	Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
		% of Holding	**No of Shares**	**% of Holding**	**No of Shares**	**% of Holding**	**No of Shares**
1	Kamal Aggarwal	37.53%	11.93	37.53%	2.98	37.53%	2.98
2	Nareshkumar Goyal	37.02%	11.76	37.02%	2.94	37.02%	2.94
3	Kamal Aggarwal - HUF	7.97%	2.53	7.97%	0.63	7.97%	0.63
4	Naresh Goyal - HUF	7.81%	2.48	7.81%	0.62	7.81%	0.62
	Total	**90.33%**	**28.71**	**90.33%**	**7.18**	**90.33%**	**7.18**

Note 12 : Other Equity

(INR in Million)

Particulars	Reserves & Surplus			Total
	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at 1st April 2017 as per Indian GAAP (A)	**-**	**-**	**194.30**	**194.30**
Ind AS Adjustments and restatement adjustments				
Adjustment on account of transition to Ind AS and restatement adjustments (B) (Refer Note No : 44)	-	-	(3.14)	(3.14)
Balance as at 1st April 2017 as per Ind AS (A)+(B)	-	-	**191.16**	**191.16**
Profit for the Year	-	-	263.81	263.81
Re-measurements of Net Defined Benefit Plans (Net of Tax)	-	-	1.81	1.81
Balance as at 31st March 2018	**-**	**-**	**456.78**	**456.78**
Profit for the Year	-	-	430.41	430.41
Bonus Issue	-	-	(238.33)	(238.33)
Re-measurements of Net Defined Benefit Plans (Net of Tax)	-	-	3.67	3.67
Balance as at 31st March 2019	**-**	**-**	**652.52**	**652.52**

A) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

B) **Re-measurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

CHEMCON SPECIALITY CHEMICALS LIMITED

(formerly known as chemcon speciality chemicals private limited)

CIN: U24231GJ1988PLC011652

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

Note 3.1 : Property, Plant & Equipment and Capital work in progress (INR in Million)

Particulars	Property, Plant & Equipments									Capital Work-in-Progress #
	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Factory RCC Road	Computer	Total	
Gross Carrying Value										
As at 1st April, 2017	**34.20**	**79.61**	**207.72**	**10.18**	**56.52**	**10.40**	**-**	**2.72**	**401.35**	-
Additions during the year	-	18.97	45.05	0.09	13.83	2.36	-	0.39	80.68	-
Disposal during the year	-	(5.10)	(10.49)	-	(5.19)	-	-	-	(20.77)	-
As at 31st March 2018	**34.20**	**93.49**	**242.28**	**10.27**	**65.16**	**12.76**	**-**	**3.11**	**461.26**	-
As at 1st April, 2018	**34.20**	**93.49**	**242.28**	**10.27**	**65.16**	**12.76**	**-**	**3.11**	**461.26**	-
Additions during the year	-	24.55	79.78	6.76	20.73	1.94	1.75	0.23	135.75	114.47
Disposal during the year	-	-	(5.41)	-	(6.78)	-	-	-	(12.19)	(107.77)
As at 31st March 2019	**34.20**	**118.04**	**316.65**	**17.03**	**79.11**	**14.70**	**1.75**	**3.34**	**584.82**	6.70
Depreciation										
As at 1st April, 2017	**-**	**11.30**	**110.35**	**4.85**	**19.95**	**7.74**	**-**	**2.19**	**156.38**	-
Provided for the year	-	2.14	13.14	0.79	5.43	0.80	-	0.28	22.59	-
Disposal during the year	-	(2.83)	(7.19)	-	(4.08)	-	-	-	(14.11)	-
As at 31st March 2018	**-**	**10.61**	**116.30**	**5.64**	**21.30**	**8.54**	**-**	**2.47**	**164.85**	-
As at 1st April, 2018	**-**	**10.61**	**116.30**	**5.64**	**21.30**	**8.54**	**-**	**2.47**	**164.85**	-
Provided for the year	-	2.48	18.35	0.76	5.72	1.00	0.01	0.29	28.61	-
Disposal during the year	-	-	(0.04)	-	(4.03)	-	-	-	(4.07)	-
As at 31st March 2019	**-**	**13.09**	**134.61**	**6.41**	**22.99**	**9.54**	**0.01**	**2.75**	**189.40**	-
Net Carrying Value										
As at 1st April, 2017	34.20	68.31	97.37	5.33	36.57	2.67	-	0.53	244.97	-
As at 31st March 2018	34.20	82.88	125.97	4.62	43.86	4.23	-	0.64	296.41	-
As at 31st March 2019	34.20	104.95	182.04	10.62	56.12	5.16	1.75	0.59	395.42	6.70

Notes:

a) The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition (01-April-2017)and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

b) # Disposal of Capital Work in Progress indicates capitalisation of Capital Work in Progress. Corresponding amount is clubbed as an addition in Property, Plant & Equipments.

c) Refer note 16 for information on property, plant and equipment given as security.

Note 35 : DEFINED BENEFIT PLAN

35.1 Defined contribution plans

The Company is contributing toward Provident Fund of employees. Under the scheme the Company is contributing a specified percentage of the salary to the fund and is depositing to the Recognized provident fund.

The Company has recognised expenses towards defined contribution plan as under:

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
Employer's Contribution to provident fund	1.39	1.27

35.2 Defined benefit plans

The Company is contributing towards Gratuity Fund of employees. Under the scheme the Company pays premium to the Life Insurance Corporation (LIC) of India based on their actuarial calculation. Further, the company has also actuarial calculation done from an independent actuary and any difference in the premium paid to LIC and the liability calulated is accordingly accounted.

(A) Gratuity (Funded)

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18
I - Expenses recognized in the Statement of Profit and Loss:		
Current Service Cost	3.35	3.70
Past service Cost	-	3.70
Net Interest Cost	0.62	0.12
Expenses recognized during the year	**3.97**	**7.52**
II- Expenses recognized in other comprehensive income (OCI)		
Actuarial (gain)/losses on obligation for the period	(5.57)	(2.98)
Return on Plan Assets, Excluding Interest Income	0.09	0.27
Net (Income)/Expenses For the Period Recognised in OCI	**(5.48)**	**(2.71)**
III - Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:		
As at the beginning of the Year	11.84	7.12
Current service cost	3.35	3.70
Interest Cost	0.91	0.55
Past service Cost	-	3.70
Benefit paid from the fund	(0.06)	(0.24)
Actuarial losses/(gains)	(5.57)	(2.98)
As at the end of the year	**10.47**	**11.84**
IV - Movement in net liability recognized in Balance Sheet		
As at the beginning of the Year - (liability)/Asset	(8.72)	(4.57)
Expenses recognized during the year in Statement of Profit and Loss	(3.97)	(7.52)
Expenses recognized during the year in OCI	5.48	2.71
Contributions made	1.30	0.67
As at the end of the year - (liability)/Asset	**(5.91)**	**(8.72)**
-Current portion of the above	(1.27)	(1.66)
-Non-Current portion of the above	(4.64)	(7.05)
V - Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof:		
As at the beginning of the Year	3.13	2.54
Interest Income	0.29	0.42
Contributions made	1.30	0.67
Benefit paid from the fund	(0.06)	(0.24)
Return on Plan Assets, Excluding Interest Income	(0.09)	(0.27)
As at the end of the year	**4.57**	**3.13**

VI - Net (Liability) recognized in the balance sheet		
Present Value of Benefit Obligations at the end of the period	(10.47)	(11.84)
Fair Value of Plan Assets at the end of the period	4.57	3.13
Net (Liability)/Asset recognized in the Balance Sheet	**(5.91)**	**(8.72)**
VII - Return on Plan Assets		
Expected return on plan assets	0.29	0.42
Actuarial (loss)/gain	(0.09)	(0.27)
Actuarial return on plan assets	**0.20**	**0.16**
VIII - The major categories of plan assets as a percentage of total plan assets		
Insurer Managed Funds	100%	100%
IX - Principal actuarial assumptions		
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Discount rate	7.70%	7.70%
Expected Rate of Return on Plan Assets	1 to 5%	1 to 5%
Annual increase in salary cost	7.00%	7.00%

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

Employee benefit plan typically expose the company to actuarial risks such as: investment risk, interest risk, longevity risk and salary

Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.

Interest Risk

A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and employee turnover.

Maturity Analysis :

(INR in Million)

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**
Projected Benefit payable in future years from the date of reporting		
1st Following Year	2.25	2.26
2nd Following Year	2.36	0.36
3rd Following Year	0.29	2.38
4th Following Year	0.24	0.31
5th Following Year	0.28	0.27
Sum of Years 6 To 10	1.74	1.44

Sensitivity Analysis :

The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Projected Benefit Obligation on Current Assumptions		
+1% Change in Rate of Discounting	9.74	10.92
-1% Change in Rate of Discounting	11.35	12.93
+1% Change in Rate of Salary Increase	11.35	12.93
-1% Change in Rate of Salary Increase	9.73	10.91
+1% Change in Rate of Employee Turnover	10.50	11.87
-1% Change in Rate of Employee Turnover	10.45	11.81

(B) Leave Encashment

The leave obligations cover the Companys liability for sick and earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision balance above. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current.

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18
I - Expenses recognized in the Statement of Profit and Loss:		
Current Service Cost	0.19	0.07
Interest Cost	0.01	0.01
Actuarial losses/(gains)	0.04	0.00
Expenses recognized during the year	**0.24**	**0.08**
III - Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:		
As at the beginning of the Year - (liability)/Asset	(0.17)	(0.11)
Current service cost	(0.19)	(0.07)
Interest Cost	(0.01)	(0.01)
Benefit paid	0.11	0.02
Actuarial losses/(gains)	(0.04)	(0.00)
As at the end of the year - (liability)/Asset	**(0.30)**	**(0.17)**
-Current portion of the above	(0.02)	(0.01)
-Non-Current portion of the above	(0.28)	(0.16)

Sensitivity Analysis

The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Projected Benefit Obligation on Current Assumptions		
+1% Change in Rate of Discounting	0.19	0.15
-1% Change in Rate of Discounting	0.24	0.19
+1% Change in Rate of Salary Increase	0.24	0.19
-1% Change in Rate of Salary Increase	0.19	0.15
+1% Change in Rate of Employee Turnover	0.21	0.17
-1% Change in Rate of Employee Turnover	0.21	0.17

Note 36 : DETAILS OF GOVERNMENT GRANTS

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
Government grants received by the Company during the year towards		
- Export Incentive	4.64	3.38

Note 37 : OPERATING SEGMENTS

The Company is engaged in the business of manufacturing of chemicals, hence only one reportable segment in accordance with Ind AS 108 "Operating Segment".
The Company has two geographical segments based upon location of its customers - Export and Domestic :

a) Revenue From Operations

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
Information in respect of geographical areas		
Segment revenue from external customers		
A **EXPORT**		
Direct Export	668.78	436.97
Deemed Export (SEZ)	311.42	323.81
	980.20	760.78
B **DOMESTIC**	2,061.48	822.28
Total (A+B)	**3,041.68**	**1,583.07**

Note 38 : RELATED PARTY DISCLOSURES

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Nature of Relationship	Name of Related Party
Key Management Personnel	Kamal Aggrawal Navdeep Goyal Himanshu Purohit Rajesh Gandhi Rajveer Aggarwal Shahilkumar Kapatel (Company Secretary)
Relative of Key Management Personnel	Naresh Goyal Minal Aggrawal Pooja Goyal Parul Goyal
Other Parties which significantly Influence/are influenced by the Company (either individually or with others)	Super Industrial Lining Private Limited Super Chemical Industries Super Scinetific Works Pvt. Ltd. Supertech Fabrics Private Limited Medicap Healthcare Ltd (Formerly know as Medicap Inc.) Shivam Petrochem Industries Kana Real Estate Pvt. Ltd.

(ii) Disclosure in respect of Transactions with related parties during the Year.

(INR in Million)

Name of the related party and nature of transactions	For the Year ended 31-Mar-19	For the year ended 31-Mar-18
(a) Key Management Personnel		
Remuneration		
Kamal Aggrawal	66.03	51.51
Navdeep Goyal	22.19	16.17
Himanshu Purohit	2.34	1.92
Rajesh Gandhi	2.34	1.92
Rajveer Aggarwal	17.27	10.52
Shahilkumar Kapatel	0.14	-
Rent Paid		
Kamal Aggrawal	0.18	0.19
Unsecured loan received		
Kamal Aggrawal	-	9.65
Navdeep Goyal	-	3.90
Rajveer Aggarwal	-	3.90
(b) Relative of Key Management Personnel		
Remuneration		
Naresh Goyal	61.12	45.87
Unsecured loan received *		
Naresh Goyal	10.00	9.65
Rent Paid		
Minal Aggrawal	0.18	0.18
Pooja Goyal	0.18	0.18
Parul Goyal	0.18	0.18
(c) Other Parties which significantly Influence/are influenced by the Company (either individually or with others)		
Purchase Consumable & Stores		
Super Industrial Lining Private Limited	0.91	1.23
Purchase of Fixed Assets		
Super Industrial Lining Private Limited	9.46	7.54
Purchase of Raw Material		
Super Chemical Industries	-	0.52
Shivam Petrochem Industries	1.12	4.22
Supertech Fabrics Private Limited	0.01	-
Jobwork Charges Paid		
Shivam Petrochem Industries	80.77	7.08
Lifting Charges Paid		
Super Chemical Industries	0.83	1.18
Sale of Fixed Assets		
Shivam Petrochem Industries	2.81	-
Sales commission Received		
Super Chemical Industries	1.08	0.49
Revenue from Operaton		
Super Industrial Lining Private Limited	0.32	0.40
Super Chemical Industries	0.96	0.05
Shivam Petrochem Industries	1.47	0.09

(ii) Disclosure in respect of Outstanding Balances at the end of period/Year.

(INR in Million)

Name of the related party and nature of transactions	As at 31-Mar-19	As at 31-Mar-18
(a) Key Management Personnel		
Remuneration payable		
Kamal Aggrawal	35.13	4.87
Navdeep Goyal	14.43	1.60
Rajveer Aggarwal	11.28	1.60
Himanshu Purohit	0.13	-
Rajesh Gandhi	0.12	-
Shahilkumar Kapatel	0.02	-
Unsecured Loan Payable		
Kamal Aggrawal	9.65	9.65
Navdeep Goyal	3.90	3.90
Rajveer Aggarwal	3.90	3.90
Rent Payable		
Kamal Aggrawal	-	0.02
(b) Relative of Key Management Personnel		
Unsecured Loan Payable *		
Naresh Goyal	19.65	9.65
Remuneration payable		
Naresh Goyal	28.24	2.72
Rent Payable	0.01	0.01
Minal Aggrawal	0.01	0.01
Pooja Goyal	0.01	0.01
Parul Goyal		
(c) Other Parties which significantly Influence/are influenced by the Company (either individually or with others)		
Trade Payable		
Super Industrial Lining Private Limited	3.14	3.46
Super Chemical Industries	-	1.04
Shivam Petrochem Industries	18.73	0.17
Trade Receivable		
Super Chemical Industries	0.36	-
Loans and Advances given		
Kana Real Estate Pvt. Ltd.	10.31	10.31

* Unsecured loan accepted by the comapny from the person in the capacity of director at time of acceptance of loan.

Note 39 : CAPITAL MANAGEMENT

The capital includes issued equity capital and other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual planning and budgeting and its plan for working capital and long-term borrowings. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.
The Capital Structure of the Company consists both debt and equity.

(INR in Million)

GEARING RATIO	31-Mar-19	31-Mar-18
Gross Debt (Long term and short term borrowings including current maturities)	331.09	168.93
Less: Cash and bank balances	115.90	14.90
Net Debt (A)	215.19	154.04
Total Equity (B)	970.30	536.22
Net Debt to equity Ratio (A/B)	**0.22**	**0.29**

Note 40 : FINANCIAL INSTRUMENTS

40.1 : FINANCIAL RISKS MANAGEMENT

In the course of business, amongst others, the Company is exposed to several financial risks such as Market Risk, Credit Risk, Liquidity Risk, Commodity Price Risk.

These risks may be caused by the internal and external factors resulting into impairment of the assets of the Company causing adverse influence on the achievement of Company's strategies, operational and financial objectives, earning capacity and financial position.

The Company has formulated an appropriate policy and established a risk management framework which encompass the following process:
• identify the major financial risks which may cause financial losses to the company
• assess the probability of occurrence and severity of financial losses
• mitigate and control them by formulation of appropriate policies, strategies, structures, systems and procedures
• Monitor and review periodically the adherence, adequacy and efficacy of the financial risk management system.

The Company enterprise risk management system is monitored and reviewed at all levels of management, and the Board of Directors from time to time.

(A) COMMODITY PRICE RISK

The pricing policy of the Company's final product is structured in such a way that any change in price of raw materials is passed on to the customers in the final product however, with a time lag which mitigates the raw material price risk. With regard to the finished products, the Company has been operating in a global competitive environment which continues to keep downward pressure on the prices and the volumes of the products.

In order to combat this situation, the Company formulated manifold plans and strategies to develop new customers & focus on new innovative products. In addition, it has also been focusing on improvement in product quality and productivity. With these measures, Company counters the competition and consequently commodity price risk.

(B) MARKET RISK

(1) FOREIGN CURRENCY RISK

The company is exposed to the foreign currency risk from transactions. Transactional exposures are arising from the transactions entered into foreign currency. Management keeps a close watch of the maturity of the financial assets in foreign currency and payment obligations of the financial liabilities.

The carrying amounts of the Company's foreign currency denominated assets and liabilities at the end of the reporting periods are as follows:
As on 31st March, 2019

Particulars	Currency		
	(Euro in Million)	(USD in Million)	(INR in Million)
Liabilities			
Trade Payables	-	1.78	123.19
Assets			
Trade Receivables	0.06	0.70	53.06

As on 31st March, 2018

Particulars	Currency		
	(Euro in Million)	(USD in Million)	(INR in Million)
Liabilities			
Trade Payables	0.01	0.92	60.56
Other Current Liabilities- Advances from customers	-	0.02	1.27
Assets			
Trade Receivables	-	0.85	55.32
Other Current Assets- Advances to Creditors	-	0.74	48.32

(2) INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company'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. Further, the Company's investments in deposits is with banks and electricity authorities and therefore do not expose the Company to significant interest rates risk. The Company's variable rate borrowing is subject to interest rate risk. However, the management considers the impact of fair value interest rate risk on variable rate borrowings to be immaterial.

(C) CREDIT RISK

Credit Risk refers to the risks that arise on default by the counterparty on its contractual obligation resulting into financial loss to the company. The company may carry this Risk on Trade and other receivables, liquid assets and some of the non current financial assets. In case of Trade receivables, the company has framed appropriate policy for extending credits period & limit to each customer based on their profile, financial position and their external rating etc. The collections of trade dues are strictly monitored. In case of Export customers, even credit guarantee insurance is also obtained for each and every customer.

The credit risk on cash & cash equivalent, investment in fixed deposits and deposits are insignificant as counterparties are banks with high credit ratings assigned by the trading agencies of international repute.

(D) LIQUIDITY RISK

Liquidity Risk arises when the company is unable to meet its short term financial obligations as and when they fall due. The company maintains adequate liquidity in the system so as to meet its all financial liabilities timely. In addition to this, the company's overall financial position is very strong so as to meet any eventuality of liquidity tightness.

Contractual maturities of financial liabilities are given as under:

(INR in Million)

Particulars	Total Amount	Due within 12 months from Balance Sheet Date	Due beyond 12 months from Balance Sheet Date
Borrowings			
31-03-2019	322.03	297.38	24.66
31-03-2018	161.09	136.14	24.95
Tarde Payables			
31-03-2019	288.72	288.72	-
31-03-2018	172.75	172.75	-
Other Financial Liability			
31-03-2019	105.99	105.99	-
31-03-2018	23.63	23.63	-

40.2 : FAIR VALUE MEASUREMENTS

The carrying value of instruments by categories are as follows:

Particulars	31-Mar-19	31-Mar-18
Assets		
Financial Assets		
At Amortised Cost		
Other Financial Assets	5.15	2.33
Other Financial Assets (Non-Current and Current)	13.46	13.87
Trade Receivables	641.18	295.56
Cash and cash Equivalents	6.84	9.28
Other Bank balance	109.06	5.62
Total	**775.69**	**326.66**
Liabilities		
Financial Liabilities		
At Amortised Cost		
Borrowings (Non-Current and Current)	322.03	161.09
Trade Payables	263.44	138.67
Other Financial Liabilities	105.99	23.63
Total	**691.47**	**323.39**

Fair Value hierarchy disclosures:

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that has quoted price.

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

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). This is the case of unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The management has carried out analysis of financial assets and liabilities for all the reporting periods and has concluded that there are no financial assets and liabilities to be considered at fair value and disclosed under Level 1, Level 2 or Level 3 and all the financial assets and liabilities are at its carrying value which is equal to the fair value measured at amortised cost.

The carrying amounts of trade receivables, cash and cash equivalent, bank balances, current loans, current other financial assets, trade payables, current borrowings and other current financial liabilities are considered to be the same as their fair values, due to their short term

The carrying amounts of non current financial loans are considered to be the same as their fair value as it consist of security deposit with Government Organisations such as Electricity companies, which are interest bearing and are close to the fair value.

Note 41 FIRE AT FACTORY PREMISES

The fire took place on 9th January 2018 damaging the comapnies property, plant and equipments and also raw material,Packing Material and stores and consumables resulting into accounting loss amounting to Rs. 13.31 Million . However these assets are fully secured through insurance therefore considering conservatism principle company has recongnised insurance receivable Rs. 13.31 Million against such loss. No amount received from insurance comapony till end of period reporting period. The management has estimated amount receivable from insurance company Rs 21.92 Million being Reinstatement Value and it is under process with the Universal Sompo General Insurance Co Ltd. Remaining balance shall be accounted upon final settlement. However this event does not affects the concept of going concern.

The Company has lodged insurance claim for loss due to fire of Rs. Rs 21.92 Million being Reinstatement Value, (INR in Million)
Details of Claim lodged is as under :-

		(INR in Million)
a)	Loss of Raw material	6.18
b)	Loss of Consumables	0.54
c)	Loss on account of Assets burnt	14.17
d)	Expenses for Repair to Factory Shed	0.57
e)	Other Fire debri removal expenses	0.46
		21.92

Note 42 CORPORATE SOCIAL RESPONSIBILITES (CSR)

a) As required by Section 135 read with Schedule VII of the Companies Act 2013, corporate social responsibility (CSR) expediture required to spend by the Company during the year is Rs. 3.30 Million (PY. NIL), respectively, computed at 2% of its average net profit before tax for the
immediately preceding three financial years

b) Expenditure related to corporate social responsibility spend during the year is Rs. 4.58 Million (PY. NIL)
Details of Amount spent towards CSR given below :

(INR in Million)

Particulars	2018-19	2017-18
Health	3.20	-
Educations	1.38	-
Total	4.58	-

Out of above total spending of Rs. 4.58 Million RS. 3.58 Mllions is directly spend by company for above stated social activity and Rs. 1 Million is donated as corups of fund to trust which is engagged in health related social activity.

Note 43 The figures of previous year have been re-arranged and regrouped wherever necessary to make them comparable with those of the current year and according to requirements of the schedule III of the Companies Act, 2013.

The balance sheet has been prepared in absolute numbers and then convereted into millions to meet the presentation requirment as per Companies Act, accoridngly the variance on account of decimals rounding-off may exist.

Note 44 EARNING PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity share holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity share holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.
The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	As at 31-Mar-19	As at 31-Mar-18
Earnings Per Share has been computed as under:		
Profit attributable to equity holders of the Company (Numerator)	**430.41**	**263.81**
Weighted average number of equity shares outstanding (Denominator)	**31.78**	**31.78**
Earnings Per Share (Equity Shares, Par Value of Rs. 10/- each) *		
Basic (Rs.)	13.54	8.30
Diluted (Rs.)	13.54	8.30

Notes:
1. Earnings per share calculations are done in accordance with IND AS 33 "Earnings per share". Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year and subsequent to the Balance sheet date but before approval of accounts in the Board is multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

2. The earnings per share figure for the year ended 31st March 2018 have been adjusted to give effect to the allotment of the bonus shares, as required by Ind AS-33.

CHEMCON SPECIALITY CHEMICALS LIMITED

(formerly known as chemcon speciality chemicals private limited)

CIN: U24231GJ1988PLC011652

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1 COMPANY OVERVIEW

The Company is Private limited company converted into Limited comapny with effect from 10th April 2019, domiciled in India and registered with the ROC, Gujarat, Dadra and Nagar Haveli at Ahmedabad under having Corporate Identification number (CIN) U24231GJ1988PLC011652. Registered office of the Company is situated at Block No 355, Manjusar Kunpad Road Vill: Manjusar, Tal:Salvi Baroda Gujarat

The Comapny is in Pharmaceutical intermediates, Silanes and Oilfield Chemicals (Completion Fluids) Industry.The comapny is leading manufacturer of specialised chemicals, such as HMDS and CMIC which are predominantly used in the pharmaceuticals industry and inorganic bromides, predominantly used as completion fluids in the oilfield industry.

2.1 BASIS OF PREPARATION AND PRESENTATION

A. BASIS OF PREPARATION AND PRESENTATION

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as “Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. The Company is covered under Mandatory Phase-2 and hence, the date of transition to Ind AS is April 1, 2017.

The financial statements comply in all material aspects with Indian Accounting Standards (“Ind AS”) notified under section 133 of the Companies Act, 2013 (“the Act”), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act as applicable.

These financial statements are the Company’s first Ind AS financial statements and are covered by Ind AS 101- "First time Adoption of Indian Accounting Standards". The transition to Ind AS has been carried out from the accounting principles generally accepted in India (“Indian GAAP”) which is considered as the ‘Previous GAAP’ for purposes of Ind AS 101. An explanation of how the transition to Ind AS has affected the Company’s financial position, financial performance and cash flows is provided in Note No. 44 in these notes to accounts of the financial statement.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities which have been measured at fair value (refer accounting policy regarding financial instrument)

The Company's functional currency is Indian Rupees (INR) and the restated financial statements are presented in INR and all values are presented in million (INR 000,000), except when otherwise indicated.

B. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements is in conformity with Ind AS which requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.
The estimates and underlying assumptions are reviewed on going concern basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, in the period of the revision and future periods if the revision affects both current and future.

C. FAIR VALUE MEASUREMENT

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

- 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.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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 for measurement and /or disclosure purpose in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realizable 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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.
For other fair value related disclosures refer note no 40.2

2.2 SIGNIFICANT ACCOUNTING POLICIES

A. REVENUES

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative catch up transition method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The adoption of this Ind AS 115 did not have any impact on the overall revenue and/or opening balance of retained earnings.

Revenue from contracts with customers

The company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is recognised in the Statement of Profit and Loss to the extent that it is probable that the economic benefits will flow to the company and the revenue and costs, if applicable, can be measured reliably. Revenue is presented gross of excise duties, wherever applicable. However, sales tax/ value added tax (VAT)/Goods & Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the Company on behalf of the Government. Accordingly, these are excluded from revenue.

Sale of Goods and Services

Revenue is recognised when the customer obtains control of the goods. The customer obtains control of goods at the different point in time based on the delivery terms. Accordingly, comapny satisfies its performance obligation at the time of dispatch of goods from the factory/stockyard/storage area/port as the case may be and accordingly revenue is recognised. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, rate differences including currency fluctuation and volume rebates.

The determination of transaction price, its allocation to promised goods and allocation of discount or variable compensation (if any) is done based on the contract with the customers.

Export incentives/ benefits

Incentives/ benefits available for exports such as duty draw back, DEPB/ MEIS licenses are accounted on Receipt basis.

Interest Income

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

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability.When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend Income

Dividend income is recognized when the right to receive is established, which is generally when shareholders approve the dividend.

B. PROPERTY, PLANT AND EQUIPMENT (PPE)

Recognition and measurement:

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Freehold land are stated at cost. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment,including day-to-day repair andmaintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

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

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto.Other indirect expenditure(including borrowingc osts) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

Depreciation methods, estimated useful lives and residual

Depreciation on all property, plant & equipment are provided for, from the date of put to use for commercial production on straight line method at the useful lives prescribed in Schedule-II to the Companies Act, 2013.

The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

C. INTANGIBLE ASSETS

Acquired Intangible assets are initially recognized at cost after deducting refundable purchase taxes and including the transaction cost, if any. After initial recognition, intangibles are carried at cost less accumulated amortization and impairment losses.

Intangibles assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date they are available for use.

Intangible asset is derecognized on disposal or when no future economic benefits are expected from continuing use or disposal.
The estimated useful lives, residual values and amortization method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

D. INVENTORIES

Inventories of finished goods are valued at lower of cost arrived after considering material cost plus appropriate share of labour and manufacturing overheads including excise duty but excluding goods and service tax or net realizable value.

Raw Materials and other materials including packaging, stores and spares are valued at lower of cost, based on first-in-first-out method arrived at after including other expenditure directly attributable to acquisition or net realizable value.

Material in Transit / Machinery Stores are valued at Cost.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

E. FINANCIAL INSTRUMENTS

Financial assets
Initial recognition and measurement
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in three categories
i. Debt instruments at amortised cost
ii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
iii. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Equity Investments
All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

De-recognition

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

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

Impairment of financial assets

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

Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables

The application of simplified approach does not require the Company to track changes in Credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets, the Company determines that whether there has been a significant increase in the Credit risk since initial recognition. If Credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if Credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, Credit quality of the instrument improves such that there is no longer a significant increase in Credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected Credit losses resulting from all possible default events over the expected life of a financial instrument. ECL 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, discounted at the original EIR. When estimating the cash flows, the Company is required to consider:

i. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument
ii. Cash flows from the sale of collateral held or other Credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off Criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in Credit risk and impairment loss, the Company combines financial instruments on the basis of shared Credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in Credit risk to be identified on a timely basis

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include loans and borrowings, trade and other payables.

Subsequent measurement

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include derivatives. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the Criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own Credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process

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

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

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

F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposit , which are subject to insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposit, as defined above.

G. EARNING PER SHARE

Basic Earnings Per Share is computed by dividing the net profit attributable to the equity shareholders of the company to the weighted average number of Shares outstanding during the period & Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders of the company after adjusting the effect of all dilutive potential equity shares that were outstanding during the period to the weighted average number of shares outstanding during the period including the weighted average number of equity shares that could have issued upon conversion of all dilutive potential.

H. TAXATION

Current Tax
Current tax is tax expected, tax payable on the taxable income for the year, using the tax rate enacted at the reporting date, and any adjustment to the tax payable in respect of the earlier periods.

Current tax assets and liabilities are offset where the company has legal enforceable right to offset and intends either to settle on net basis, or to realize the assets and settle the liability simultaneously.

Deferred Tax Assets and Liabilities

Deferred tax is recognized for all taxable temporary differences and is calculated based on the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred tax balances relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the company intends to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Current and Deferred Tax for the Year

Current and deferred tax are recognized in the statement of profit & loss, except when they relates to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax is recognized directly in other comprehensive income or equity respectively.

Minimum alternate tax (MAT)

MAT paid in a year is charged to the Statement of profit and loss as current tax. MAT credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, which is the period for which MAT credit is allowed to be carried forward. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

I. EMPLOYEE BENEFITS

The company provides for the various benefits plans to the employees. These are categorized into Defined Benefits Plans and Defined Contributions Plans. Defined contribution plans includes the amount paid by the company towards the liability for Provident fund to the Employees Provident Fund Organization and defined benefits plans includes the retirement benefits, such as gratuity and paid absences (leave benefits) both accumulated and non-accumulated.

a) In respect Defined Contribution Plans, contribution made to the specified fund based on the services rendered by the employees are charged to Statement of Profit & Loss in the year in which services are rendered by the employee.

b) Liability in respect of Defined Long Term benefit plan is determined at the present value of the amounts payable determined using actuarial valuation techniques performed by an independent actuarial at each balance sheet date using the projected unit credit methods. Re-measurement, comprising actuarial gain and losses, the effects of assets ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of Financial Position with a charge or credit recognized in other comprehensive income in the period in which they occur. Past Service cost is recognized in the statement of profit & loss in the period of plan amendment.

c) Liabilities for accumulating paid absences is determined at the present value of the amounts payable determined using the actuarial valuation techniques performed by an independent actuarial at each balance sheet date using the projected unit credit method. Actuarial gain or losses in respect of accumulating paid absences are charged to statement of profit & loss account.

d) Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

e) Liabilities for short term employee benefits are measured at undiscounted amount of the benefits expected to be paid and charged to Statement of Profit & Loss in the year in which the related service is rendered.

J. IMPAIRMENT

Intangible assets and property, plant and equipment

Intangible assets and property plant & equipment are evaluated for recoverability wherever events or changes in circumstances indicate that their carrying amount may not be recoverable.

For impairment testing, assets that do not generate independent cash flows are grouped together into cash generating units (CGUs).

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

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

K. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized, if as a result of past event the company has present legal or constructive obligations that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to liability.

Contingent liabilities are disclosed for possible obligations arising out of uncertain events not wholly in control of the company.

Contingent assets are not recognized in the financial statements. However due disclosures are made in the financial statements for the contingent assets, where economic benefits is probable and amount can be estimated reliably.

L. FOREIGN CURRENCY TRANSACTIONS

Functional Currency
The Companies functional currency is Indian Rupees.

Transaction and translations
Transactions in currency other than Indian Rupees are recorded at the rate, as declared by the custom and excise department / inter-bank rates, ruling on the date of transaction.

Unsettled Foreign currency denominated monetary assets and liabilities, as at the balance sheet date, are translated using the exchange rates as at the balance sheet date. The gain or loss resulting from the translation is recognized in the profit & loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at cost are translated at the exchange rate at the date of the transaction.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured carried at fair value are translated at the date when the fair value is determined.

Transaction gain or losses realized upon settlement of foreign currency transaction are included in determining the net profit for the period in which transaction is settled.

M. NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED

Non-current assets classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal company, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. The Company must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

N. LEASES

Payments made under operating leases are generally recognized in the profit and loss on a straight line basis over the term of leases unless such payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost, lease incentive are recognized as integral part of the total lease expense over the term of the lease.

O. BORROWING COST

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing.Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets,pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

P. Current/non current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
-Expected to be realised or intended to be sold or consumed in normal operating cycle
-Held primarily for the purpose of trading
-Expected to be realised within twelve months after the reporting period, or
-Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
All other assets are classified as non-current.

A liability is current when:
-It is Expected to be settled in normal operating cycle
-It is Held primarily for the purpose of trading
-is due to be settled within twelve months after the reporting period, or
-There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.The company has identified twelve months as its operating cycle.

2.30 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the comapny has not applied as they are effective from April 1, 2019:

Ind AS - 116

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition
• Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
• An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods. The Company does not expect this amendment to have any material impact on its financial statements.

Note 45 Disclosure as required by Ind AS 101 first-time adoption of Indian Accounting Standards

These are the Company's first Financial Statements prepared in accordance with Ind AS.

The accounting standards notified u/s 133 of the Companies Act, 2013 and the Accounting policies as set out have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS balance sheet at April 1, 2017 (The Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

Overall principle
The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS, as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exceptions and certain optional exemptions availed by the Company as detailed below.

A) Exemptions and exceptions availed

a) Ind AS optional exemptions
Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from IGAAP to Ind AS.

i) **Deemed cost**
Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the Financial Statements as at the date of transition to Ind AS, measured under IGAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment properties at their IGAAP carrying value in their Financial Statements.

b) Ind AS mandatory exceptions
The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

i) **Estimates**
Estimates in accordance with Ind AS at the transition date will be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in Accounting Policies) unless there is objective evidence that those estimates were in error.

The estimates at April 01, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with Indian GAAP .

ii) **Classification and measurement of financial assets**
Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

First Time Ind AS Adoption Reconciliation

I Reconciliation of Balance sheet as at 31st March, 2018

(INR in Million)

	Particulars	Note to Reconciliations	Balancesheet as at 31st March, 2018		
			IGAAP	to Ind AS and regrouping adjustment	Ind AS
I	**ASSETS**				
	Non-Current Assets				
	a) Property, Plant & Equipment		296.41	-	296.41
	b) Capital Work-in-Progress		-	-	-
	c) Intangible assets				
	d) Financial Assets				
	i) Other Financial Assets	f)	24.73	(22.41)	2.33
	e) Other Non-Current Assets	f)	-	6.80	6.80
	Total Non- Current Assets		**321.14**	**(15.61)**	**305.54**
	Current Assets				
	a) Inventories		210.36	-	210.36
	b) Financial Assets				
	i) Trade Receivables		295.56	-	295.56
	ii) Cash and Cash Equivalents		9.28	-	9.28
	iii) Bank Balances Other than ii) above		5.62	-	5.62
	iv) Other Financial Assets		13.87	-	13.87
	c) Other Current Assets	f)	17.24	113.19	130.43
	Total Current Assets		**551.93**	**113.19**	**665.12**
	TOTAL ASSETS		**873.07**	**97.58**	**970.66**
II	**EQUITY AND LIABILITIES**				
	Equity				
	a) Equity Share Capital		79.44	-	79.44
	b) Other Equity	b), c)	462.73	(5.95)	456.78
	Total Equity		**542.17**	**(5.95)**	**536.22**
	Liabilities				
	Non-Current Liabilities				
	a) Financial Liabilities				
	i) Borrowings	f)	52.07	(27.12)	24.95
	b) Non current Provisions	c)	-	7.21	7.21
	c) Deferred Tax Liabilities(Net)	b)	19.14	(2.94)	16.20
	Total Non- Current Liabilities		**71.20**	**(22.84)**	**48.36**
	Current Liabilities				
	a) Financial Liabilities				
	i) Borrowings	f)	109.02	27.12	136.14
	ii) Trade Payables	f)			
	-Total outstanding dues of micro and small enterprises		-	34.09	34.09
	-Total outstanding dues of creditors other than micro enterprises and small enterprises		90.96	47.70	138.67
	iii) Other Financial Liabilities	f)	7.85	15.79	23.63
	b) Other current Liabilities		48.30	-	48.30
	c) Short term Provisions	c)	3.57	1.67	5.24
	Total Current Liabilities		**259.70**	**126.37**	**386.07**
	TOTAL EQUITY AND LIABILITIES		**873.07**	**97.58**	**970.66**

First Time Ind AS Adoption Reconciliation *(Continued)*

II Statement of Profit and loss for the year ended 31st March, 2018

(INR in Million)

	Particulars	Note to Reconciliations	For the year ended as at 31st March, 2018		
			IGAAP	to Ind AS and regrouping adjustment	Ind AS
I	Revenue from Operations	a)	1,578.21	4.86	1,583.07
II	Other Income		1.65	-	1.65
	Total Income		**1,579.85**	**4.86**	**1,584.72**
III	**Expenses**				
	Cost of Materials Consumed		794.63	-	794.63
	Changes in inventories of finished goods and work-in-progress		(20.67)	-	(20.67)
	Excise Duty	a)	-	4.86	4.86
	Employee Benefit expenses	c)	53.22	6.91	60.13
	Finance costs	f)	24.14	6.22	30.36
	Depreciation and Amortization expenses		22.59	-	22.59
	Other expenses		287.32	-	287.32
IV	**Total Expenses**		**1,161.21**	**17.99**	**1,179.22**
V	**Profit before tax**		418.64	(13.13)	405.51
	(Less)/ Add: Tax expenses:				
	- Current Tax	f)	148.73	(6.22)	142.51
VI	- Deferred Tax credit/(Charge)	b)	1.48	(2.28)	(0.81)
VII	**Profit/(Loss) After Tax**		**268.43**	**(4.63)**	**263.81**
	OTHER COMPREHENSIVE INCOME				
	Items that will not be reclassified subsequently to Profit or Loss				
	Plans	c)	-	2.71	2.71
	Income Tax relating to items that will not be reclassified to Profit & Loss	b)	-	(0.90)	(0.90)
VIII	**Other Comprehensive Income (Net of Tax)**		**-**	**1.81**	**1.81**
IX	**Total Comprehensive Income for the Year/Period**		**268.43**	**(2.81)**	**265.62**

CHEMCON SPECIALITY CHEMICALS LIMITED

(formerly known as chemcon speciality chemicals private limited)

CIN: U24231GJ1988PLC011652

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

First Time Ind AS Adoption Reconciliation (Continued)

III Reconciliation of Balance sheet as at 1st April, 2017

(INR in Million)

	Particulars	Note to Reconciliations	Balancesheet as at 1st April, 2017		
			IGAAP	to Ind AS and regrouping adjustment	Ind AS
I	**ASSETS**				
	Non-Current Assets				
	a) Property, Plant & Equipment		244.97	-	244.97
	b) Capital Work-in-Progress		-	-	-
	c) Intangible assets				
	d) Financial Assets				
	i) Other Financial Assets	f)	38.93	(36.69)	2.24
	e) Other Non-Current Assets	f)	-	3.35	3.35
	Total Non- Current Assets		**283.90**	**(33.34)**	**250.56**
	Current Assets				
	a) Inventories		90.41	-	90.41
	b) Financial Assets				
	i) Trade Receivables		223.88	-	223.88
	ii) Cash and Cash Equivalents		3.35	-	3.35
	iii) Bank Balances Other than ii) above		5.22	-	5.22
	iv) Other Financial Assets		0.23	-	0.23
	c) Other Current Assets	f)	19.80	33.34	53.15
	Total Current Assets		**342.91**	**33.34**	**376.24**
	TOTAL ASSETS		**626.81**	**-**	**626.80**
II	**EQUITY AND LIABILITIES**				
	Equity				
	a) Equity Share Capital		79.44	-	79.44
	b) Other Equity	b), c)	194.30	(3.14)	191.16
	Total Equity		**273.74**	**(3.14)**	**270.60**
	Liabilities				
	Non-Current Liabilities				
	a) Financial Liabilities				
	i) Borrowings	f)	20.80	(0.02)	20.78
	b) Non current Provisions	c)	-	3.80	3.80
	c) Deferred Tax Liabilities(Net)		17.66	(1.55)	16.11
	Total Non- Current Liabilities		**38.46**	**2.23**	**40.69**
	Current Liabilities				
	a) Financial Liabilities				
	i) Borrowings	f)	171.21	0.02	171.22
	ii) Trade Payables	f)		-	
	-Total outstanding dues of micro and small enterprises		-	17.52	17.52
	-Total outstanding dues of creditors other than micro enterprises and small enterprises		125.59	(55.45)	70.15
	iii) Other Financial Liabilities	f)	9.87	37.93	47.80
	b) Other current Liabilities		4.31	-	4.31
	c) Short term Provisions	c)	3.62	0.89	4.51
	Total Current Liabilities		**314.61**	**0.91**	**315.51**
	TOTAL EQUITY AND LIABILITIES		**626.81**	**(0.00)**	**626.80**

First Time Ind AS Adoption Reconciliation (Continued)

IV Statement of Reconciliation Between the Indian GAAP and Ind AS

(INR in Million)

	Particulars	Note	As at 31-Mar-18	As at 1-Apr-17
A	**Reconciliations between previous GAAP and Ind AS Ind AS 101 requires an entity to reconcile equity for prior periods.**			
	Other equity as per previous GAAP (A)		462.73	194.30
	Provision for Gratuity as per actuarial calculation	c)	(8.72)	(4.57)
	Provision for leave encashment as per actuarial calculation	c)	(0.17)	(0.11)
	Deferred tax impact on account of Ind AS adjustments	b)	2.94	1.55
	Total Adjustment as per Ind AS (B)		(5.95)	(3.14)
	Other equity as per Ind AS (A)+(B)		**456.78**	**191.16**

(INR in Million)

	Particulars	Note	For the Year ended 31-Mar-18
A	**Reconciliation of Profits**		
	Total Comprehensive Income as per Indian GAAP (A)		**268.43**
	Provision for Gratuity as per actuarial calculation	c)	(4.14)
	Provision for leave encashment as per actuarial calculation	c)	(0.06)
	Deferred tax impact on account of Ind AS adjustments	b)	1.39
	Total Impact on account of restatement (B)		**(2.81)**
	Total Comprehensive Income as per Ind AS (A)+(B)		**265.62**

*** Notes to the reconciliations between Indian GAAP and Ind AS accounts**

a) Excise duty

Under IGAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty paid is presented on the face of the Statement of Profit and Loss as part of expenses. There is no impact on the total equity and profit due to the said change.

b) Deferred Tax

Under Ind AS, the deferred tax asset and liabilities are required to be accounted based on the balance sheet approach. The Company has remeasured its deferred tax assets and liabilities as aforesaid and accounted in the Ind AS financial statements.

c) Remeasurements of post-employment benefit obligations

Under IGAAP, the management has accounted for employee defined benefit plan with respect to Gratuity by debiting profit and loss statement to the extent of actual premium paid to Life Insurance Corporation . Under Ind AS, the management has accounted for Gratuity and on the basis of actuarial calculation from 1st April, 2017 and accordingly the effect of differences has been accounted for in the profit and loss statement and other comprehensive income as required.

Under Ind AS, remeasurements that is actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in Other Comprehensive Income instead of profit or loss.

Under IGAAP, the management has accounted for employee defined benefit plan with respect to leave encashment by debiting statement of profit and loss on the basis of unpaid leave and its financial impact estimated by the management for employees calculated during the year . Under Ind AS, the management has accounted for Leave encashment on the basis of actuarial calculation from 1st April, 2017 and accordingly the effect of differences has been accounted for in the profit and loss statement and other comprehensive income as required.

Under Ind AS, remeasurements that is actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in Other Comprehensive Income instead of profit or loss.

d) Other Comprehensive Income

Under Ind AS, all items of income and expense recognized in a period are to be included in profit or loss for the period, unless a standard requires or permits otherwise. In accordance with Ind AS remeasurement of defined benefit plans is accounted in Other Comprehensive Income , net of taxes.

e) Statement of Cash flows

The transition from Indian GAAP to Ind AS has no had material impact on the statement of cash flows.

f) The figures of previous year have been re-arranged and regrouped wherever necessary to make them comparable with those of the current year and according to requirements of the schedule III of the Companies Act, 2013.

As per our report of even date attached

For Shah Mehta & Bakshi	**For and on behalf of the Board of Directors**	
Chartered Accountants	**CHEMCON SPECIALITY CHEMICALS LIMITED**	
Firm Registration No: 0103824W	CIN: U24231GJ1988PLC011652	
(Kalpit Bhagat)	**Kamal Aggrawal**	**Navdeep Goyal**
Partner	Managing Director	Chairman & Director
Membership No. 142116	DIN: 00139199	DIN: 02604876
	Rajesh Gandhi	**Shahilkumar Kapatel**
Place: Vadodara	Chief Financial Officer & Director	Company Secretary
Date: 14th June, 2019	DIN: 03296784	ACS : 52211

2nd Floor, Prasanna House, Associated Society,
Opp. Radhakrishna Park, Nr.Akota Stadium,
Akota, Vadodara - 390020
Phone : +91-265-2331060, 2337727, 2355435
Cell : +91-91732-02343
Email: office@smb-ca.com

SHAH MEHTA AND BAKSHI
CHARTERED ACCOUNTANTS

INDEPENDENT PRACTICIONER'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

To,
The Board of Directors
CHEMCON SPECIALITY CHEMICALS LIMITED
(Formerly known as Chemcon speciality chemicals private limited)

Dear Sirs,

1. We, Shah Mehta & Bakshi, Chartered Accountant have examined the attached Restated Financial Information of CHEMCON SPECIALITY CHEMICALS LIMITED (Formerly known as Chemcon speciality chemicals private limited) (the "Company" or the "Issuer") (CIN : U24231GJ1988PLC011652) comprising the Restated Statement of Assets and Liabilities as at March 31st 2019, March 31st 2018 and March 31st 2017 the Restated Statements of Profit and Loss (including other comprehensive income), the Restated Statement of Changes in Equity, the Restated Cash Flow Statement for the year ended March 31st, 2019, March 31st 2018 and March 31st 2017 the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 18th July, 2019 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP) prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:
   a) Section 26 of Part I of Chapter III of the Companies Act,2013 (the "Act");
   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") and
   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**") and Registrar of Companies, Gujarat in connection with the proposed IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in note 2.1 to the Restated Financial Information. The Board of Directors of the Company responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Financial Information taking into consideration:

SHAH MEHTA & BAKSHI Vadodara Chartered Accountants

a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter in connection with the proposed IPO of equity shares of the Company;
b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Financial Information have been compiled by the management from:
   a) Audited Ind AS financial statements of the Company as at and for the year ended March 31^{st} 2019, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 14^{th} June 2019. The comparative information for the year ended March 31, 2018 included in such financial statements have been prepared by making Ind AS adjustments to the audited financial statements of the Company as at and for the year ended March 31, 2018, prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP") which was approved by the Board of Directors at their meeting held on 16^{th} August, 2019;
   b) The Restated Financial Information also contains the Proforma Ind AS financial information as at and for the year ended March 31, 2017. The proforma Ind AS financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2017 which have been approved by the Board of Directors at their meeting held on 26^{th} July 2017 as described in Note 41 to the Restated Financial Information.

5. For the purpose of our examination, we have relied on:
   a) Auditors' reports issued by us dated 14^{th} June, 2019, 16^{th} August, 2018 and 26^{th} July, 2017 on the financial statements of the Company as at and for the year ended March 31, 2019, March 31^{st} 2018 and March 31^{st} 2017.

6. There were no modifications to the audit reports on the financial statements issued by us as Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information: at and for the years ended March 31^{st} 2019, March 31^{st} 2018 and March 31^{st} 2017.

7. Based on the above and according to the information and explanations given to us, we further report that the Restated Company Financial Information:
   a) have been made after incorporating adjustments for the changes in accounting policies material errors and regrouping/reclassifications retrospectively in the financial years

SHAH MEHTA & BAKSHI
Vadodara
Chartered Accountants

ended March 31,2018 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2019

b) have been prepared after incorporating proforma Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2017 as described in Note 41 to the Restated Financial Information;

c) do not require any adjustments for the matters giving rise to modifications as stated in paragraph 6 above; and

d) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on audited financial statements mentioned in paragraph [4] above.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, stock exchanges and Registrar of Companies, Gujarat in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Shah Mehta and Bakshi
Chartered Accountant
ICAI Firm Registration No: 103824W

SHAH MEHTA & BAKSHI
Vadodara
Chartered Accountants

Kalpit Bhagat
Partner
Membership No: 142116

Place: Vadodara
Date: 18th July, 2019
Internal Ref No : 1
UDIN : 19142116AAAADB8687