



Annual
Report

2018-19

EICL Limited





Company Information

CIN : U26939KL1963PLC002039

Chairman

Mr. Karan Thapar

Directors

Mr. Vijay Dilbagh Rai
Mr. T. Balakrishnan
Mr. Vijay Kishore Sharma
Ms. Shivpriya Nanda
Mr. Joy Kumar Jain

Executive Director

Mr. Suresh Kumar Jain

Chief Financial Officer

Mr. Mahendra Kumar Gupta

Company Secretary & Dy. G.M. (Corporate Legal)

Mrs. Shalini Chawla

Bankers

Axis Bank Limited
ICICI Bank Limited
HDFC Bank Limited

Registered Office

TC-79/4, Veli
Thiruvananthapuram – 695 021
Kerala

Head Office

5th Floor, PTI Building
16/7, Miller Tank Band Area
Vasanth Nagar
Bangalore – 560 052 (Karnataka)

Auditors

Walker Chandiok & Co. LLP
Chartered Accountants

Cost Auditors

A. R. Narayanan & Co.
Cost Accountants

Internal Auditors

T. R. Chadha & Co.
Chartered Accountants

Secretarial Auditors

CPA & Co.
Company Secretaries

Registrar & Share Transfer Agent

RCMC Share Registry Pvt. Ltd.
B-25/1, Okhla Industrial Area, Phase – II
New Delhi – 110 020

Corporate Office

801-803, Tower-B, 8th Floor
Global Business Park, M. G. Road
Gurugram – 122 002 (Haryana)

Works

Thiruvananthapuram (Kerala)

CONTENTS	Page No.
Board's Report	3
Auditor's Report	25
Balance Sheet	30
Profit and Loss Account	31
Statement of Cash Flows	32
Notes	34

BOARD'S REPORT

To,
The Members,

Your Directors present the 55th Annual Report of the Company and the Audited Financial Statements for the Financial Year ended March 31, 2019.

FINANCIAL SUMMARY

The Company's financial performance for the Financial Year ended March 31, 2019 is summarized below:-

(₹ in Lacs)

Particular	31st March, 2019	31st March, 2018
Gross Profit before interest, depreciation & tax	3528	6484
Less : Interest	597	1051
Gross Profit before Depreciation	2931	5433
Less: Depreciation	889	1243
Profit before tax and exceptional items	2042	4190
Exceptional items	-136	59
Tax Expenses:		
- Current Tax	786	2142
- Earlier year tax	13	-
- Deferred Tax	-63	-976
Profit after Tax	1170	3083
Surplus brought forward from the previous year	10427	9406
Balance available for appropriation	11597	12489
Appropriations:		
Dividend		
- Preference Shares	Nil	129
- Equity Shares	754	754
Tax on Dividend	155	179
Transfer to Capital Redemption Reserve	Nil	1000
Surplus carried forward to next year's account	10688	10427

RESERVES

The Directors of the Company propose not to transfer any amount to General Reserve out of the profits for the current year.

DIVIDEND

During the year, the Company had declared and paid an Interim Dividend @ ₹ 0.50 (25%) each per Equity Share on 5,02,76,013 equity shares of ₹ 2/- each, total amounting to ₹ 251.38 lacs.

Your Directors have not recommended payment of final dividend as the Company has earned marginal Net Profit after tax during the year under review.

The total outgo on account of the dividend was ₹ 303.05 lacs (including dividend tax of ₹ 51.67 lacs) for the Financial Year ended March 31, 2019.

PUBLIC DEPOSITS

The Company has not accepted any Public Deposits within the meaning of Chapter V of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

STATE OF THE COMPANY AFFAIRS/CHANGES IN THE NATURE OF BUSINESS, IF ANY.

The Net Sales Turnover of the Company for the year ended March 31, 2019 was at ₹ 28008 lacs (including ₹ 895 lacs relating to

discontinued Starch Business) compared to ₹ 44050 lacs (including ₹ 15033 lacs relating to discontinued Starch Business) in the previous Financial Year. The Production/Sales volume were adversely affected due to shortage of Raw Materials caused by mining issues.

Your Company registered a gross operating profit (EBIDTA) of ₹ 3528 lacs during the year under review as against ₹ 6484 lacs in the previous year ended March 31, 2018. The profit after tax for the year ended March 31, 2019 is ₹ 1170 lacs viz-a-viz ₹ 3083 lacs in the previous year ended March 31, 2018.

As regards Note on emphasis of matters in the Audit Report, the Company has its clear plan to obtain requisite approvals as elaborated in subsequent paras.

As regards Note in CARO regarding excess payment of managerial remuneration, required approvals U/s 197 of the Companies Act, 2013 is being obtained.

There is no qualification, reservation or adverse remark or disclaimer by the Statutory Auditors which requires any explanation or comments from the Board of Directors of the Company.

ENVIRONMENT, HEALTH AND SAFETY

The Company has implemented various Environment, Health and Safety measures in the Company including at its Factory Units such as:

1. Rain Harvesting Project at plant level in Kerala.
2. Annual Health Checkup of the employees.

All environment, health and safety measures are successfully implemented.

MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY

During the year, the Company had to stop mining in view of the Kerala High Court Divisional Bench's Order dated October 04, 2018 which put certain conditions. The Company has already complied with the said conditions and the Court has also been informed about the said compliances.

Since consequent to the said High Court order, the Company could not continue its normal operations as Raw Matrix supplies were adversely affected.

Meanwhile, the necessary Applications have already been moved to respective Mining Authorities for getting the requisite approvals to regularize the mining operations of the Company. The Company is confident of obtaining requisite approvals in the near future.

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 124 of the Companies Act, 2013, there is no amount of dividend remaining unpaid/unclaimed for a

period of seven years to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government of India. The unpaid/unclaimed dividend amount for the year 2011-12 has been transferred to the IEPF.

In terms of Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, shares of the Company in respect of which dividend entitlements have remained unclaimed or unpaid for seven consecutive years or more, are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) of the Government of India.

The Members are requested to take note that unclaimed dividends be claimed immediately to avoid transfer of the shares to the IEPF Account. The shares transferred to the IEPF Account can be claimed back by the concerned members from IEPF Authority as per prescribed rules.

The Company had transferred shares during the Financial Year 2018-19 to Investor Education and Protection Fund (IEPF) Authority after communicating to the concerned Members who had not claimed their dividend for seven consecutive years or more to provide them an opportunity to claim such dividend. The transfer of such shares to Investor Education and Protection Fund Authority have been completed.

COMPOSITION AND NUMBER OF MEETINGS OF THE BOARD

The Board of Directors of the Company comprises of well qualified and experienced persons having expertise in their respective areas. It has appropriate combination of Executive and Non-Executive Directors.

The Board meets at least Four times in a year. Annual calendar for the Board Meetings for the Financial Year is fixed at the beginning of each year. If necessary, the Board Meetings are also convened beyond the four meetings. During the Financial Year 2018-19, the Directors met four times i.e., on May 01, 2018, August 16, 2018, November 05, 2018 and February 07, 2019.

No Director is related to any other Director on the Board.

DISCLOSURE IN RESPECT OF SECRETARIAL STANDARD

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India.

A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

Pursuant to Section 149(7) of the Companies Act, 2013, all the Independent Directors of the Company have given their declarations confirming that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

The Company has 5 Independent Directors out of 7 Directors in the Board.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Karan Thapar (DIN: 00004264), retires by rotation at the forthcoming Annual General Meeting, and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Mr. Suresh Kumar Jain (DIN: 00003500) was appointed as Whole-time Director designated as Executive Director for a term of 3 years as approved by the Shareholders in their meeting held on June 17, 2016 who will hold office upto the date of ensuing Annual General Meeting of the Company.

The Board recommends the re-appointment of Mr. Suresh Kumar Jain for a further term of 2 (Two) years.

The Company has received Notices U/s 160(1) of the Companies Act, 2013 proposing the appointment of Mr. Suresh Kumar Jain as a Director of the Company, not liable to retire by rotation.

The following are the Key Managerial Personnel of the Company within the meaning of section 2(51) and 203 of the Companies (Appointment & Remuneration of Managerial Personnel), Rules, 2014:-

1. Mr. Suresh Kumar Jain, Whole Time Director designated as the Executive Director
2. Mr. Mahendra Kumar Gupta, Chief Financial Officer
3. Mrs. Shalini Chawla, Dy. General Manager (Corpt. Legal) & Company Secretary

STATEMENT ON ANNUAL EVALUATION MADE BY THE BOARD

A formal evaluation of the Board, its Committees and of the individual Director is one potential effective way to respond to the demand for greater Board's accountability and effectiveness. The effectiveness and performance of the Board, its Committees and its members are evaluated and measured, considering the following parameters: -

1. Performance of the Board/Committee against the performance benchmark set.
2. Overall value addition by the discussions taking place at the Board Meetings/Committee Meetings.
3. The regularity and quality of participation of the individual Director in the deliberation of the Board and its Committees, close monitoring of the various actions taken for the implementation of the Board's decision.

The performance evaluation of Directors including Independent Directors is done by the entire Board of Directors excluding the Directors being evaluated. A questionnaire is prepared and is being circulated amongst the Directors for their comments. Review of the performance of the

Chairperson of the Company is done by taking into account the views of Executive and Non-Executive Directors of the Company.

COMPOSITION OF AUDIT COMMITTEE

In compliance with the requirement of Section 177, as applicable to the Company, the Board of Directors has constituted Audit Committee. The members of the Audit Committee possess financial/accounting expertise/exposure. The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. Apart from the matters provided under Section 177(4) of the Companies Act, 2013, the Audit Committee also review the significant legal cases pending and all material developments are reported to the Board.

The Audit Committee comprised of Mr. Joy Kumar Jain (Chairman of the Committee), Ms. Shivpriya Nanda and Mr. T. Balakrishnan.

Statutory Auditors and the Internal Auditors are the permanent invitees at the Committee Meetings. Mr. Suresh Kumar Jain, Executive Director and Mr. Mahendra Kumar Gupta, Chief Financial Officer are also the permanent invitees at the Committee Meetings. Mrs. Shalini Chawla, Company Secretary is the Secretary of the Committee.

For the Financial Year 2018-19, the Audit Committee met four times i.e., on May 01, 2018, August 16, 2018, November 05, 2018 and February 07, 2019.

The recommendations given by the Audit Committee are considered and reviewed by the members of the Board of the Company. However, there is no such case where the Board dissented or did not accept the recommendation of the Audit Committee.

A STATEMENT ON DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Board evaluates the existing as well as anticipated risks and the strategy to mitigate those risks within a defined time frame. The Company has in place a risk identification and mitigation policy.

With reference to Note 26 to Accounts, this is to state that the Kaolin was reclassified as a minor mineral in the amendments carried out and the Company had applied for requisite approvals in view of the said change. The Company has a very clear Plan to obtain the said approvals within a minimum time frame. The delay in granting the said approvals would affect the operations of the Company as the Company is not able to do its mining operations at its desired locations. The Company is hoping to receive the said approvals from various agencies over the shorter period of time.

However, in the current scenario where the Company is not able to produce the ideal product mix due the said mining issues, it is critical to meet the product requirement of the key customers and maintain the market share of the Company. Our Application and R&D Team have worked very hard in co-ordination with production to develop process enabling beneficiation of low grade matrix. The Supply Chain Team has been able to source the material from certain locations outside Kerala.

All this has helped the Company in maintaining and improving its product mix for ensuring supplies of critical products to the key customers and also to maintain its market share.

The new proposed Calcined Clay Project of the Company at Cuddalore (Tamil Nadu) was suspended due to uncertainty of supply of Raw Material for the operations.

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee comprised of Mr. T. Balakrishnan (Chairman of the Committee), Mr. Joy Kumar Jain and Mr. Suresh Kumar Jain, Executive Director.

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has adopted the CSR Policy as recommended by the CSR Committee covering the objections, initiatives, implementation, monitoring etc. The CSR Policy of the Company is displayed on the Company's website : www.eicl.in

The details about the Corporate Social Responsibility Policy developed and implemented by the Company and the various initiatives taken during the year and other particulars are enclosed in the prescribed form as **Annexure – A**.

During the Financial Year 2018-19, the Corporate Social Responsibility Committee met twice i.e. on May 01, 2018 and August 16, 2018.

COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

Pursuant to section 178 of the Companies Act, 2013, the Company has constituted a Nomination & Remuneration Committee comprised of Mr. Vijay Kishore Sharma (Chairman of the Committee), Mr. Karan Thapar and Ms. Shivpriya Nanda.

The Committee met Three times in the Financial Year 2018-19 i.e., on May 01, 2018, November 05, 2018 and February 07, 2019.

The Nomination & Remuneration Committee considering the requirement of the skill sets on the Board, integrity of the persons having standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions, recommend the appointment to the Board for approval.

The Committee has approved a policy with respect to the appointment and remuneration of the Directors and Senior Management Personnel. The objectives of this policy are:

- a) to create a transparent system of determining the appropriate level of remuneration throughout all levels of the Company;
- b) encourage people to perform to their highest level;
- c) allow the Company to compete in each relevant employment market;
- d) provide consistency in remuneration throughout the Company;
- e) align the performance of the business with the performance of key individuals and teams within the Company;
- f) long term value creation; and
- g) to attract and retain the best professionals.

The policy details the types of remuneration to be offered by the Company and factors to be considered by the Board, Nomination & Remuneration Committee and management in determining the appropriate remuneration strategy.

SHARE TRANSFER/SHAREHOLDERS' GRIEVANCE COMMITTEE

The Share Transfer/Shareholders' Grievance Committee comprised of Mr. Vijay Dilbagh Rai, Chairman of the Committee, Mr. Karan Thapar and Mr. Joy Kumar Jain, members of the Committee. Mrs. Shalini Chawla, Company Secretary is the Secretary of the Committee.

The Committee met once in 2018-19 i.e., on 01st May, 2018.

INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

The Company has adopted Accounting policies as per the Accounting Standards and other applicable provisions of Companies Act, 2013.

STATUTORY AUDITOR

M/s Walker, Chandiok & Co. LLP, Chartered Accountants, the Statutory Auditors were appointed in the 51st Annual General Meeting of the Company held on June 15, 2015 for a period of 5 years till the conclusion of the Annual General Meeting held in the Calendar Year 2020.

INTERNAL AUDITOR

The Company has appointed M/s T.R. Chadha & Co., Chartered Accountants, as the Internal Auditors of the Company pursuant to Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014, for one year to conduct the internal audit for the Financial Year 2018-19.

COST AUDITOR

M/s A.R. Narayanan & Co., Cost Accountants, have been

appointed as Cost Auditors for the Financial Year 2018-19 to conduct the cost audit of the accounts maintained by the Company. They have confirmed their eligibility for appointment under the provisions of Section 148 of the Companies Act, 2013. The remuneration proposed to be paid to the Cost Auditors is submitted for ratification by the Shareholders of the Company.

SECRETARIAL AUDITOR

M/s. CPA & Co., Company Secretaries in practice have been appointed as Secretarial Auditors to conduct the Secretarial Audit for the Financial Year 2018-19 of the Company. They have confirmed their eligibility for appointment under the provisions of Section 204 of the Companies Act, 2013.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report in terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial personnel) Rules, 2014, has been annexed to this report as **Annexure - B**. There is no qualification, reservation or adverse remark or disclaimer by the Secretarial Auditors which requires any explanation or comments from the Board of Directors of the Company.

M/s. CPA & Co., Company Secretaries in practice has conducted Secretarial Audit of the Company for the Financial Year 2018-19.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management & Administration) Rules, 2014, an extract of the Annual Return of the Company for the year ended March 31, 2019 has been given in the prescribed Form MGT-9 as **Annexure- C**.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 134 (3) (c) and (5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) the Company has followed the applicable Accounting Standards in the preparation of the Annual Accounts for the year ended 31-03-2019 and there is no material deviation from the previous year.
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2019 and of the profit for the year ended March 31, 2019.
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,

2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and;

- d) the Directors have prepared the Annual Accounts of the Company on a going concern basis.
- e) the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- f) the Directors have laid proper internal financial control and that such financial controls are adequate and are operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Under Section 186 of the Companies Act, 2013 the Company has neither given any loan, guarantee nor provided any security in connection with a loan, directly or indirectly, to any person or other body corporate. The Company has also not made any investments by way of subscription, purchase or otherwise, in the securities of any other body corporate during the Financial Year ended March 31, 2019.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The details of the Related Party Transactions, as per requirement of Accounting Standard-18, are disclosed in notes to the Financial Statements of the Company for the Financial Year 2018-19. All the Directors have disclosed their interest in form MBP-1 pursuant to Section 184 of the Companies Act, 2013 and as & when any changes in their interest take place, such changes are placed before the Board at its meetings. None of the transactions with any of the related parties was in conflict with the interest of the Company. A Statement in the prescribed Form AOC-2 is annexed to this report as **Annexure - D**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are as follows:-

(A) Conservation of energy

(i) Steps taken or impact on Conservation of Energy are as under:

- a) Reduction in specific energy consumption was achieved during the year with dedicated drive on conservation with a month-long campaign with energy saving pledge signed by all departments.

- b) Internal energy audit done every quarter and improvement actions implemented.
- c) Non-peak hour operation maximized and all planned maintenance of short duration planned during peak hours.
- d) Recuperator introduced to recover waste heat.
- e) Migration to energy efficient motors and factory lighting started.
- f) Pneumatic conveying upgraded to next level technology to bring down energy load.
- g) All new motors are energy efficient I2 and I3 rated.
- h) Minimised the running of RO plant by maximizing fresh water source and recharging of water sources through rain water harvesting.

(ii) Steps taken by the Company for utilizing alternate sources of energy:

LNG (Liquified Natural Gas) is planned to be replaced with diesel/SKO/FO.

(iii) Capital investment on Energy Conservation equipment

During the current Financial Year, the Company has not incurred any major capital expenditure on the energy conservation equipment except maintenance capex.

(B) Technology absorption

- Company has taken up re-engineering program. This is based on own Research & Development findings and collaborative work with leaders in process technology. This is an ongoing program.
- Technology developed internally has resulted in substantial reduction in variable cost of production of value added products.
- Portion of residue at Thonnakal plant upgraded as feed for Calcined Clay leading to conservation of resources.

(C) Research & Development activities

Your Company lays special emphasis on Research & Development activities with an objective to develop new product line for the growth of the Company. The Company's commitment and strong research orientation has played big role such as:

- R & D has been at the forefront of developing calcined clay from alternate sources. This will go commercial soon.

- New products are being worked on with less than 18 months incubation time.
- Research tie ups made with leading institutions in India.
- Joint projects with leading customers to provide customer specific solutions based on our material.

Expenditure incurred on Research & Development are as under:-

(₹ in Lacs)

	March 31, 2019	March 31, 2018
a) Capital	44.24	127.76
b) Recurring	91.86	129.32
c) Total	136.09	257.08
d) Total R&D Expenditure as a percentage of total turnover	0.48	0.58

(D) Foreign Exchange earnings and outgo

The Company has recorded export earnings of ₹ 2609 Lacs, import payments of ₹ 759 lacs and expenses in foreign exchange of ₹ 110 lacs, details of which have been incorporated in the Notes to Accounts No. 35 to 38.

VIGIL MECHANISM POLICY

The Company has a "Vigil Mechanism Policy" to facilitate the Directors and employees at all levels, to voice their concerns or observations to the Chairman of Audit Committee. The policy provide a framework to promote responsible and secure whistle blowing.

The Company has provided a dedicated email ID which can be accessed only by the Chairman of the Audit Committee.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has put in place an Anti-Sexual Harassment mechanism in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committees have been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has not received any complaint of sexual harassment during the year 2018-19.

HUMAN RESOURCES

Your Company has successfully aligned human capital with business and organizational objectives. The emphasis has been on team work, skill development and development of leadership and functional capabilities of the employees.

INDUSTRIAL RELATIONS

The Board of Directors places on record the active, dedicated and valuable contribution made by employees of the Company at all levels in achieving the results in the operations of the Company. The Industrial relations remained cordial at all units of the Company.

The Company's Policy on Director's appointment and remuneration as per Section 134(3)(c) of the Companies Act, 2013.

ACKNOWLEDGEMENT

The Board of Directors places on record their appreciation for the continued support and confidence received from Banks,

Financial Institutions, Customers, Central and State Governments and other Government authorities.

The Board of Directors are also thankful to all other stakeholders for their valuable sustained support to the Company.

For and on behalf of the Board

Sd/-

Karan Thapar

Chairman

DIN: 00004264

Place : Gurugram

Date : May 06, 2019

LIST OF ANNEXURES

- Annexure A** : **CSR Activities**
- Annexure B** : **Secretarial Audit Report (Form No. MR-3)**
- Annexure C** : **Extract of Annual Return (Form No. MGT-9)**
- Annexure D** : **Contract/arrangements entered into by the Company with Related Parties (Form No. AOC-2)**

Annexure – A

(Report on Corporate Social Responsibility activities)

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects and programmes:

The Committee has approved a Corporate Social Responsibility policy and the major guiding principle to attain the CSR objectives in a professional and integrated manner, are as under:-

- Undertake proactive engagement with stakeholders to actively contribute to the socio-economic development of the periphery/community in which it operates.
- Using environment friendly and safe processes in production.
- Create a positive footprint within the society by creating inclusive and enabling infrastructure/environment for livable communities.
- Ensure environmental sustainability by adopting best ecological practices and encouraging conservation/judicious use of natural resources.
- Work towards mainstreaming the marginalized segments of the society by striving towards providing equal opportunities and making meaningful difference in their lives.
- Focus on educating the girl child and the underprivileged by providing appropriate infrastructure, and groom them as future value creators.
- Assist in skill development by providing direction and technical expertise to the vulnerable thereby empowering them towards a dignified life.
- Emphasize on providing basic nutrition/health care facilities with special focus on establishing health centers for the mother and child as well as the elderly.
- Facilitate water conservation by reducing water consumption at the plants and taking up rain water harvesting projects.

The CSR projects are headed by the Executive Director of the Company and the progress in implementation of the projects are presented before the CSR Committee and the Board from time to time.

During the year 2018-19, the Company had taken the following activities:-

1. Rain water harvesting and supply of potable water in the nearby villages free of cost.
2. Other Social welfare (flood relief).

2. The Composition of the CSR Committee:

The CSR Committee consists of Mr. T. Balakrishnan, Chairman of the Committee, Mr. Joy Kumar Jain and Mr. Suresh Kumar Jain, Members of the Committee.

3. Average net profits of the Company for the last three Financial Years:

₹ 4342.46 lacs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

₹ 86.85 lacs

5. Details of CSR spent during the Financial Year.

- | | | |
|--|---|--------------|
| a) Total amount spent for the Financial Year | : | ₹ 62.12 lacs |
| b) Amount unspent, if any | : | ₹ 24.73 lacs |

c) Manner in which the amount spent during the Financial Year is detailed below:

(₹ in Lacs)

1	2	3	4	5	6	7	8
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
Revenue Expenditure							
1	Rain water harvest / water to villagers	Social welfare	Thiruvananthapuram (Kerala)	65.00	54.70		DIRECT
2	Flood Relief	Social welfare	Thiruvananthapuram (Kerala)	10.00	7.41		DIRECT
3	Education	Social Welfare	Thiruvananthapuram (Kerala)	5.00	-		-
	TOTAL			80.00	62.12		

- Give details of implementing agency: NA

6. During the year, the budget outlay of ₹ 80.00 lacs has been approved by the Board of Directors. As per the programme, the Company has started implementation of CSR activities. However, during the year, it was considered pragmatic to spend ₹ 62.12 lacs. The Company has a stringent process for selecting CSR projects. Only these projects that yield maximum impact are selected and supported. During the year the Company has not been able to find right projects to spend the balance amount of ₹ 24.73 lacs wisely and effectively on CSR. The Company is actively looking to identify additional projects to increase its CSR spending.
7. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/-
KARAN THAPAR
 Chairman
 DIN: 00004264

Annexure – B

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 2019

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

To,
The Members,
EICL LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **EICL LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **EICL LIMITED** ("the Company") for the Financial Year ended on March 31, 2019, to the extent applicable to the Company according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

The aforesaid clause [clause (v)] is not applicable to the Company.

- (vi) The Company is engaged in the business of mining of clay (kaolin) and manufacturing of processed clay, starch and allied products, accordingly, The Mines Act, 1952 and the rules, regulations made thereunder are specifically applicable to the Company.

For the compliances of Specifically applicable laws mention hereinabove, our examination and reporting is based on the documents, records and files as produced and shown to us by the Company. In our opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with specifically applicable laws.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The aforesaid clause (ii) is not applicable to the Company.

Our report is to be read along with the noting as mentioned here-in-under:

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

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

No specific non compliances/observations/audit qualification, reservation or adverse remarks were observed.

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and there were no dissenting members' views.

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

No specific non compliances/observations/audit qualification, reservation or adverse remarks were observed.

We further report that during the audit period, the Company has following specific events/actions having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above:

- (a) The Hon'ble High Court of Kerala, on Writ Petitions by some local residents, passed the order dated 4th October, 2018 which directed the Company to stop mining at certain mines without prior Environmental Clearance and pay the penalty assessed at ₹ 13.630 lacs along with the exemplary cost and cost to the appellants of the Writ Petitions.

The Company has complied with all the conditions/directions of the said Order of Hon'ble High Court of Kerala.

- (b) The Company has paid Managerial Remuneration to its Whole-Time Director, Mr. Suresh Kumar Jain (DIN : 00003500) in excess of the limit of 5% of Net profit as prescribed under Section 197(1) of the Companies Act, 2013. Due to stoppage of mining operations, as stated above, the Company could not generate the profits as anticipated at the beginning of the Financial Year thus the Remuneration paid to its Whole-time Director exceeded the prescribed limit. The Company may waive off the excess sum paid by passing a Special Resolution in terms of section 197(10) of the Companies Act, 2013 within two years from the date the excess sum becomes refundable.

- (c) The Company has modified its Charge (Charge ID: 10318532) created in favour of ICICI Bank Limited on 20.04.2018 for the partial payment of ₹ 2482.38 lacs out of the entire loan amount of ₹ 2750.00 lacs.

Subsequently, the Company has paid the remaining amount (i.e. ₹ 267.62 lacs) of the Loan amount mentioned hereinabove on 19.12.2018 thus fully satisfying the Charge (Charge ID: 10318532).

- (d) The Audit Committee and the Board of Directors have approved all the Related Party Transaction. In view of the Board, all the transactions with Related Parties were in the ordinary course of business and at Arm's Length basis.
- (e) Pursuant to the provisions of Section 124 (6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Rules, 2016 all equity shares pertaining to shareholders who have not claimed dividend in the last consecutive seven years have been duly transferred to Investor Education and Protection Fund Account.

For CPA & Co.

**Sd/-
Hiba Jamal
Partner
CPA & Co.**

**Company Secretary in Practice
ACS. 52428
C.P.No.: 19744**

**Date: May 06, 2019
Place: Gurugram**

Annexure – C**Form No.MGT-9****EXTRACT OF ANNUAL RETURN****as on the Financial Year ended on 31st March, 2019**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	U26939KL1963PLC002039
ii)	Registration Date	:	18 th November, 1963
iii)	Name of the Company	:	EICL Limited
iv)	Category / Sub-Category of the Company	:	Public Limited /Limited by shares
v)	Address of the Registered Office and contact details	:	TC-79/4, Veli, Thiruvananthapuram–695021 (Kerala) Phone: 0471-4095111 Fax: 0471-2742233 Web: www.eicl.in Email: sect@eicl.in
vi)	Whether listed Company	:	No
vii)	Name, Address & Contact details of Registrar and Transfer Agent, if any	:	RCMC Share Registry Pvt. Ltd., B-25/1, First Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 Phone: 011-26387320 Fax: 011-26387322 Web: www.rcmcdelhi.com Email: investor.services@rcmcdelhi.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of Main products/ services	NIC Code of the Product / service	% to total turnover of the Company
1	Mining of Clay	08108	96.80%
2	Manufacture of Starch (Discontinued)	10621	3.20%

III.PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associates	% of Shares held	Applicable Section
	D B H International Pvt. Ltd. Flat No. J-3/602, The Views, Mohali Hills, Sector-105, SAS Nagar, Mohali, Punjab-140306	U65100PB1985PTC049210	Holding Company	65%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
a)	Individual/ HUF	0	0	0	0	0	0	0	0	0
b)	Central Govt	0	0	0	0	0	0	0	0	0
c)	State Govt (s)	0	0	0	0	0	0	0	0	0
d)	Bodies Corp.	46074413	0	46074413	91.64	46078066	0	46078066	91.65	0.01
e)	Banks / FI	0	0	0	0	0	0	0	0	0
f)	Any Other....	0	0	0	0	0	0	0	0	0
	Sub-total (A)(1):-	46074413	0	46074413	91.64	46078066	0	46078066	91.65	0.01
(2)	Foreign									
a)	NRIs -Individuals	0	0	0	0	0	0	0	0	0
b)	Other – Individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corp.	0	0	0	0	0	0	0	0	0
d)	Banks / FI	0	0	0	0	0	0	0	0	0
e)	Any Other....	0	0	0	0	0	0	0	0	0
	Sub-total (A)(2):-	0	0	0	0	0	0	0	0	0
	Total shareholding of Promoter: (A)=(A)(1)+(A)(2)	46074413	0	46074413	91.64	46078066	0	46078066	91.65	0.01
B.	Public Shareholding									
1.	Institutions									
a)	Mutual Funds	0	0	0	0	0	0	0	0	0
b)	Banks / FI	0	0	0	0	0	0	0	0	0
c)	Central Govt	0	0	0	0	0	0	0	0	0
d)	State Govt(s)	0	0	0	0	0	0	0	0	0
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f)	Insurance Companies	0	0	0	0	0	0	0	0	0
g)	FIIIs	0	0	0	0	0	0	0	0	0
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i)	Others (specify)	0	0	0	0	0	0	0	0	0
	Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2.	Non- Institutions									
a)	Bodies Corp.									
i)	Indian	185044	607	185651	0.37	187991	607	188598	0.37	0.00
ii)	Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	2998281	77573	3075854	6.12	2971861	58527	3030388	6.03	0.09
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	905600	0	905600	1.80	905600	0	905600	1.80	0.00

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c)	Others:									
i)	Clearing Member	5148	0	5148	0.01	3712	0	3712	0.01	0.01
ii)	Non-residents	26524	2553	29077	0.06	29178	1203	30381	0.06	0.00
iii)	Trust	270	0	270	0.00	270	0	270	0.00	0.00
iv)	IEPF Account	0	0	0	0.00	38998	0	38998	0.08	0.08
	Sub-total (B)(2):-	4120867	80733	4201600	8.36	4137610	60337	4197947	8.35	0.01
	Total Public Shareholding (B) = (B)(1)+ (B)(2):	4120867	80733	4201600	8.36	4137610	60337	4197947	8.35	0.01
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	-
	Grand Total(A+B+C)	50195280	80733	50276013	100	50215676	60337	50276013	100	-

(ii) *Shareholding of Promoters*

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	D B H International Pvt. Limited	32675038	64.99	0	32678691	65.00	0	0.01
2	Karun Carpets Pvt. Limited	13399375	26.65	0	13399375	26.65	0	0
	Total	46074413	91.64	0	46078066	91.65	0	0.01

Note :

1. A Scheme of Amalgamation has been filed by Karun Carpets Pvt. Ltd. (one of the Promoter of the Company) before the National Company Law Tribunal ("NCLT"), Chandigarh for amalgamation of D B H International Private Limited ["DBHI"], Bharat Starch Products Private Limited ["BSPL"], DBH Investments Private Limited ["DBHInv"] into Karun Carpets Private Limited ["KCPL"].
2. DBHI and KCPL are promoters of EICL Limited ["EICL"] and once the Scheme is approved by the shareholders of the above Transferor and Transferee Companies and by the regulatory authorities, including but not limited to National Company Law Tribunal, then the shares of EICL, held by DBHI would get consolidated in KCPL.

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

Sl. No.	Shareholder's Name	Shareholding			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
		At the beginning of the year		Date wise increase / decrease in Shareholding		
		At the end of the year				
1.	D B H International Private Limited	32675038	64.99	D B H International Pvt. Ltd., One of the Promoter of the Company has acquired the Equity Shares of the Company during the year 2018-19. 1) 05-09-2018: 1158 2) 30-10-2018: 100	32678691	65.00
		32678691	65.00			

Sl. No.	Shareholder's Name	Shareholding			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date wise increase / decrease in Shareholding	No. of shares	% of total shares of the Company
				3) 17-11-2018: 1088 4) 30-11-2018: 562 5) 12-12-2018: 500 6) 10-01-2019: 125 7) 22-03-2019: 120 Total purchase: 3653		
2.	Karun Carpets Pvt. Ltd.	13399375 13399375	26.65 26.65	No Change	13399375	26.65
	Total	46074413	91.64		46078066	91.65

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

Sl. No.	For each of the top 10 Shareholders	Shareholding at the Beginning of the Year		Cumulative Shareholding During the Year	
	Shareholder's Name	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Hitesh Ramji Javeri	500100	0.99	500100	0.99
2	Radhabai Ramji Javeri	105100	0.21	105100	0.21
3	Ami Hitesh Javeri	100200	0.20	100200	0.20
4	Mitali Hitesh Javeri	100100	0.20	100100	0.20
5	Harsha Hitesh Javeri	100100	0.20	100100	0.20
6	Siddhivinayak Dealcom Pvt. Ltd.	56250	0.11	56250	0.11
7	Investor Education & Protection Fund	0	0	38998	0.08
8	Basons Investments Pvt. Ltd.	32144	0.06	32144	0.06
9	Alkaben Vasantbhai Vora	30125	0.06	30125	0.06
10	Rithik Developers LLP	28125	0.06	28125	0.06
11	Rina S Kamdar	21271	0.04	21271	0.04
		1073515	2.13	1112513	2.21

(v) *Shareholding of Directors and Key Managerial Personnel:*

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Rai Vijay Dilbagh	12836	0.02	12836	0.02
2.	Shalini Chawla	10	0.00	10	0.00
	Total	12846	0.02	12846	0.02

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	1942.82	-	-	1942.82
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	1942.82	-	-	1942.82
Change in Indebtedness during the Financial Year?				
• Addition	777.53	2000.00	-	2777.53
• Reduction	-267.62	-	-	-267.62
Net Change	509.90	2000.00		-2509.90
Indebtedness at the end of the Financial Year				
i) Principal amount	2452.72	2000.00	-	4452.72
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2452.72	2000.00		4452.72

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Suresh Kumar Jain (Executive Director)	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	171.68	171.68
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.10	0.10
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit		
	- Others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	171.78	171.78
	Ceiling as per the Act		117.33

B. Remuneration to other Directors:

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Vijay Dilbagh Rai	V.K. Sharma	Shivpriya Nanda	T. Balakrishnan	Joy Kumar Jain	
1.	Independent Directors						
	Fee for attending Board/ Committee Meetings						
	• Sitting Fee	2.25	3.30	3.60	3.30	3.85	16.30
	• Commission	2.11	2.58	2.11	2.11	2.82	11.73
	Total (1)	4.36	5.88	5.71	5.41	6.67	28.03
2.	Other Non-Executive Directors	Karan Thapar					
	Fee for attending Board/ Committee Meetings						
	• Sitting fees	2.95					2.95
	• Commission	11.73					11.73
	Total (2)	14.68					14.68
	Total (B)=(1+2)						42.72
	Total Managerial Remuneration (excluding sitting fees)						195.24
	Overall Ceiling as per the Act						140.80

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Shalini Chawla, Company Secretary	M.K. Gupta, CFO	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	44.79	98.93	143.72
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	–	0.07	0.07
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	–	–	–
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission			
	- as % of profit	–	–	–
	- others, specify...	–	–	–
5.	Others, please specify	–	–	–
	Total	44.79	99.00	143.79

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of Companies Act	Brief description	Details of penalty/ punishment/Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Annexure - D**Form No. AOC-2**

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis
 - (a) Name(s) of the related party and nature of relationship
N.A.
 - (b) Nature of contracts/arrangements/transactions
N.A.
 - (c) Duration of the contracts/arrangements/transactions
N.A.
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
N.A.
 - (e) Justification for entering into such contracts or arrangements or transactions
N.A.
 - (f) Date(s) of approval by the Board
N.A.
 - (g) Amount paid as advances, if any:
Nil.
 - (h) Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188
N.A.

2. (a) Details of material contracts or arrangement or transactions at arm's length basis
 - i. Bharat Starch Products Pvt. Ltd.
 - ii. Premium Transmission Pvt. Ltd.
 - iii. Aravali Sports & Cultural Foundation
 - iv. DBH Consulting Ltd.
 - v. Greaves Cotton Limited
- (b) Nature of contracts/arrangements/transactions
 - i. Bharat Starch Products Pvt. Ltd. - Rent paid
 - ii. Premium Transmission Pvt. Ltd. - Sharing of corporate expenses.
 - iii. Aravali Sports & Cultural Foundation - Donation paid
 - iv. DBH Consulting Ltd. - Advisory and Consultancy services
 - v. Greaves Cotton Limited - Sharing of corporate expenses

(c) Duration of the contracts / arrangements/transactions

			Value
i.	Bharat Starch Products Pvt. Ltd.	- 01-04-2018 to 31-03-2019	₹ 21.24 Lacs (Payment)
ii.	Premium Transmission Pvt. Ltd.	- 01-04-2018 to 31-03-2019	₹ 113.95 Lacs (Receipt)
iii.	Aravali Sports & Cultural Foundation	- 01-04-2018 to 31-03-2019	₹ 7.50 Lacs (Payment)
iv.	DBH Consulting Ltd.	- 01-04-2018 to 31-03-2019	₹ 22.52 Lacs (Payment)
v.	Greaves Cotton Limited	- 01-04-2018 to 31-03-2019	₹ 40.10 Lacs (Receipt)

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

The above transactions are in the ordinary course of business and at an arm's length basis.

(e) Date(s) of approval by the Board, if any:

16-08-2018, 05-11-2018, 07-02-2019 & 06-05-2019

(f) Amount paid as advances, if any:

Nil

Sd/-
KARAN THAPAR
Chairman
DIN: 0004264

INDEPENDENT AUDITOR'S REPORT

To the Members of EICL Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of EICL Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2019 the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Company as at March 31, 2019 and its profit and its cash flows for the year ended on that date.

Basis of Opinion

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

Emphasis of Matter

4. We draw attention to Note 26 to the accompanying financial statements, relating to filing of application with the regulatory authorities for securing environment clearances for their mining land parcels. The classification of underlying land as Property, plant and equipment, conclusion relating to non-impairment of plant and machinery and measurement of site restoration obligation is dependent on such clearances. Our opinion is not modified in this respect of this matter.

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

5. The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Board's Report, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If

we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

12. As required by Section 197(16) of the Act, as further explained in Note 33 to the financial statements, we report that the Company has paid remuneration to its directors in excess of limits laid down under Section 197 read with Schedule V to the Act by ₹ 54.44 lacs, which is subject to approval of the Shareholders as per the provisions under the Companies Act, 2013.
13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. Further to our comments in Annexure 1, as required by Section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e) the matter described in paragraph 4 under the Emphasis of Matters in our opinion, may have an adverse effect on the functioning of the Company;

- f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- g) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated May 06, 2019 as per Annexure II expressed unmodified; and
- h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- (i) the Company, as detailed in note 40.2 to the financial statements, has disclosed the impact of pending litigations on its financial position as at March 31, 2019;
- (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2019;
- (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019;
- (iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from November 8, 2016 to December 30, 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Ashish Gupta
Partner
Membership No.: 504662

Place: Gurugram
Date: May 06, 2019

Annexure I to the Independent Auditor's Report of even date to the members of EICL Limited, on the financial statements for the year ended March 31, 2019

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical

verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company except for the following property:

(₹ in Lacs)

Nature of property	Total Number of Cases	Whether leasehold /freehold	Gross block as on March 31, 2019	Net block as on March 31, 2019	Remarks
Unit - Veli	1	Leasehold	0.15	0.15	Lease deed is pending for renewal

- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) The dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

(₹ in Lacs)

Name of the statute	Nature of dues	Amount	Amount paid under Protest	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	MODVAT claimed on lubricant and transformer oil	1073.70	12.41	Year 2000 to 2004	Hon'ble Supreme Court of India
Central Excise Act, 1944	Demand with respect to classification of maize starch	611.11	-	Year 1997 to 2001	Hon'ble Supreme Court of India

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company has no loans or borrowings payable to a financial institution or government and no dues payable to debenture-holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) As stated in Note 33 to the financial statements, the Company has paid remuneration aggregating to ₹ 54.44 lacs in excess of limits laid down under Section 197 read with Schedule V to the Act which is subject to approval of the shareholders by special resolution in the ensuing Annual General Meeting in accordance with the provisions of the Section 197 read with Schedule V of the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Ashish Gupta
Partner
Membership No.: 504662
Place: Gurugram
Date : May 06, 2019

Annexure II

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of EICL Limited ("the Company") as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019 based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Ashish Gupta
Partner
Membership No.: 504662

Place: Gurugram
Date : May 06, 2019

(₹ in Lacs)

Balance Sheet as at	Notes	March 31, 2019	March 31, 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,005.52	1,005.52
Reserves and surplus	3	19,702.46	19,441.57
		20,707.98	20,447.09
Non current liabilities			
Deferred tax liabilities (net)	4	1,313.03	1,376.17
Other long term liabilities	5	3.98	15.97
Long term provisions	6	1,914.74	1,771.37
		3,231.75	3,163.51
Current liabilities			
Short term borrowings	7	4,452.72	1,675.19
Trade payables	8		
(a) total outstanding dues of micro enterprises and small enterprises; and		121.16	152.89
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		3,102.88	3,577.54
Other current liabilities	9	520.07	1,070.71
Short term provisions	10	356.15	577.56
		8,552.98	7,053.89
TOTAL		32,492.71	30,664.49
ASSETS			
Non current assets			
Property, plant and equipment	11		
Tangible assets		18,543.63	17,318.98
Intangible assets		9.62	8.67
Capital work in progress		1,025.24	109.32
Non current investments	12	5.00	5.00
Long term loans and advances	13	2,003.09	729.83
Other non current assets	14	2.47	2.40
		21,589.05	18,174.20
Current assets			
Inventories	15	2,105.25	3,478.20
Trade receivables	16	2,659.83	4,772.26
Cash and bank balances	17	1,964.84	90.68
Short term loans and advances	18	1,677.91	1,539.62
Other current assets	19	2,495.83	2,609.53
		10,903.66	12,490.29
TOTAL		32,492.71	30,664.49

Summary of significant accounting policies and other explanatory information

1

The accompanying notes are an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

For and on behalf of the Board of Directors

Sd/-
Suresh Kumar Jain
Executive Director
DIN : 00003500

Sd/-
Joy Kumar Jain
Director
DIN : 06406359

Sd/-
Ashish Gupta (Membership No.: 504662)
Partner

Sd/-
Mahendra Kumar Gupta
Chief Financial Officer

Sd/-
Shalini Chawla
Company Secretary

Place : Gurugram
Date : May 06, 2019

(₹ in Lacs)

Statement of Profit and Loss for the year ended	Notes	March 31, 2019	March 31, 2018
INCOME			
Revenue from operations	20	27,113.96	29,017.16
Other income	21	206.59	222.22
Total income		27,320.55	29,239.38
EXPENSES			
Cost of materials consumed		5,782.57	6,144.32
Purchase of traded goods		477.82	187.66
Changes in inventories of finished goods, work in progress and stock in trade	22	651.34	207.31
Employee benefits expense	23	4,522.97	4,534.55
Finance costs	24	596.96	760.56
Depreciation and amortisation expense	11	839.97	892.92
Other expenses	25	12,311.26	12,390.67
Total expenses		25,182.89	25,117.99
Profit before exceptional items and tax		2,137.66	4,121.39
Exceptional items	26	(136.30)	-
Profit before tax from continuing operations		2,001.36	4,121.39
Tax expense:			
- Current tax		777.23	1,431.93
- Taxes for earlier years		12.92	0.46
- Deferred tax		(21.05)	37.25
Profit for the year from continuing operations		1,232.26	2,651.75
(Loss)/profit before tax from discontinuing operations	27	(95.62)	128.34
Tax expense:			
- Current tax		8.69	710.46
- Deferred tax		(42.10)	(1,013.60)
(Loss)/profit for the year from discontinuing operations		(62.21)	431.48
Profit for the year		1,170.05	3,083.23
Earnings per equity share:	28		
- Basic (₹)		2.33	5.89
- Diluted (₹)		2.33	5.89
Summary of significant accounting policies and other explanatory information	1		

The accompanying notes are an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

For and on behalf of the Board of Directors

Sd/-
Suresh Kumar Jain
Executive Director
DIN : 00003500

Sd/-
Joy Kumar Jain
Director
DIN : 06406359

Sd/-
Ashish Gupta (Membership No.: 504662)
Partner

Sd/-
Mahendra Kumar Gupta
Chief Financial Officer

Sd/-
Shalini Chawla
Company Secretary

Place : Gurugram
Date : May 06, 2019

(₹ in Lacs)

Statement of Cash Flows for the year ended	March 31, 2019	March 31, 2018
A. Cash flow from operating activities:		
Profit before tax from continuing operations	2,001.36	4,121.39
(Loss)/profit before tax from discontinuing operations	(95.62)	128.34
Adjustments for:		
Depreciation and amortisation expense	889.20	1,242.84
Interest expense	439.40	900.12
Site restoration amortisation	157.56	151.06
Interest income	(32.10)	(19.28)
Unrealised exchange fluctuation loss	11.21	7.41
Loss on sale of fixed assets (net)	1.40	8.27
Exceptional items	136.30	(59.25)
Liabilities no longer required written back	-	(70.88)
Provision for bad and doubtful debts/advances	107.99	156.03
Other non operating income	-	(50.00)
Amortisation of government grant	-	(22.22)
Operating profit before working capital changes	3,616.70	6,493.83
Adjustments for changes in working capital:		
- Movement in trade receivables	1,993.24	775.98
- Movement in other receivables (current and non current)	(1,374.80)	(1,034.56)
- Movement in inventories	1,372.95	995.67
- Movement in trade and other payables (current and non current)	(723.31)	(617.97)
Cash generated from operations	4,884.78	6,612.95
Direct taxes paid	(1,039.17)	(1,305.58)
Net cash generated from operating activities (A)	3,845.61	5,307.37
B. Cash flow from investing activities:		
Additions to fixed assets and capital work in progress	(3,393.16)	(669.89)
Proceeds from sale of fixed assets	254.39	358.16
Proceeds from sale of business undertaking	-	5,250.00
Other non operating income	-	50.00
Direct taxes paid on sale of starch business	-	(710.46)
Decrease in deposits with banks	32.02	41.23
Interest received	19.09	19.28
Net cash generated (used in)/from investing activities (B)	(3,087.66)	4,338.32

(₹ in Lacs)

Statement of Cash Flows for the year ended	March 31, 2019	March 31, 2018
C. Cash flow from financing activities:		
Proceeds from borrowings		
- Receipts	2,000.00	633.33
- Repayments	(282.08)	(3,385.16)
Proceeds / (Repayment of) from cash credits/ working capital demand loan (net)	777.53	(3,959.45)
Interest paid	(440.49)	(900.88)
Redemption of preference share capital	-	(1,000.00)
Dividends paid	(754.14)	(882.82)
Dividend taxes	(155.02)	(179.73)
Net cash from/(used in) financing activities (C)	1,145.80	(9,674.71)
Net increase/(decrease) in cash & cash equivalents (A+B+C)	1,903.75	(29.02)
Cash and cash equivalents at the beginning of the year	27.83	56.85
Cash and cash equivalents at the end of the year	1,931.58	27.83
Cash and cash equivalents comprise		
Cash	8.14	2.51
Balance with banks in current accounts	23.44	25.32
Deposits with bank with maturity of less than three months	1,900.00	-
Total	1,931.58	27.83

Note:

Refer note 27 with respect to the disclosure of amounts of net cash flows attributable to the operating, investing and financing activities of the discontinuing operations.

This is the Statement of Cash Flows referred to in our report of even date.

For **Walker Chandniok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

For and on behalf of the Board of Directors

Sd/-
Suresh Kumar Jain
Executive Director
DIN : 00003500

Sd/-
Joy Kumar Jain
Director
DIN : 06406359

Sd/-
Ashish Gupta (Membership No.: 504662)
Partner

Sd/-
Mahendra Kumar Gupta
Chief Financial Officer

Sd/-
Shalini Chawla
Company Secretary

Place : Gurugram
Date : May 06, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Background and nature of operations

EICL Limited, a Company incorporated in India in 1963, under the Companies Act, 1956, was part of the erstwhile Thapar Group. The Company is engaged in the business of mining of clay (kaolin) and manufacturing of processed clay, starch and allied products.

The Company had discontinued its manufacturing operations of starch and allied products in Shimoga unit from September, 2018 and Yamunanagar unit w.e.f. January 31, 2018.

b) Basis of preparation

The financial statements have been prepared to comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements have been prepared under the historical cost convention on the accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013.

c) Use of estimates

In preparing the Company's financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

d) Property, Plant and Equipment

Property, Plant and Equipment comprised of tangible assets including capital spares, leasehold improvements, restoration obligation by law, technical knowhow costs and research and development assets are stated at cost and less accumulated depreciation and impairment losses, if any. Cost includes direct expenses related to acquisition, installation, restoration and interest incurred during construction period. Cost is measured at amounts incurred initially to acquire or construct tangible fixed assets and includes any cost directly attributable to

bringing the assets to the location and conditions necessary for it to be capable of operating in the manner intended. Cost also includes estimates of site restoration recorded at present value of obligation.

Intangible assets are recognised if it is probable that the future economic benefits attributable to the asset will flow to the enterprise and cost of the asset can be measured reliably in accordance with Accounting Standard – 26, 'Intangible assets'.

e) Depreciation and amortisation

i) Depreciation on tangible assets is provided as per straight line method at higher of the following:

Depreciation on original cost as specified in Schedule II to the Companies Act, 2013 or depreciation based on the residual/estimated useful life of the asset*

Category	Useful life (years)
Factory and other buildings	30 – 60
Plant and equipment	10 – 25
Furniture and fixtures	10
Office equipment	5
Vehicles and cycles	8

* Since the list of the assets is too large, it is not practicable to give the individual depreciation rates for each of the assets.

In respect of additions and deletions, depreciation charge is restricted to the period of use. All assets costing ₹ 5,000 or less are fully depreciated in the year of addition.

Leasehold land and leasehold improvements are depreciated on a straight line method basis over the period of lease.

Land related to mining which is freehold is not depreciated.

ii) Intangible assets

Intangible assets including technical know-how/ brand and computer software/ licence fee are amortised on straight line basis over their useful lives of 10 years and 5 years respectively from the date of acquisition / implementation.

The amortisation period and method are reviewed at each year end.

f) Investments

Investments that are readily realisable and intended to be held for not more than one year are classified as current investments; all other investments are classified

as long term investments. Long term investment is carried at cost less provision (if any) for decline in value which is other than temporary in nature. Current investments are carried at lower of cost and fair value.

g) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists then the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

h) Inventories

Inventories, including stores and spare parts (other than stores and spares accounted for as Property, Plant and Equipment), raw materials (including clay matrix-mined and purchased), work in process and finished goods, are valued at lower of cost and net realisable value. Cost includes direct expenses and is determined on the basis of weighted average method.

Total mining expenses are considered as raw material cost for clay matrix – mined.

In respect of finished goods and work in progress, cost includes raw material cost plus conversion costs and other overheads incurred to bring the goods to their present location and condition based on normal operating capacity.

i) Employees benefits

Short term employee benefits

Short term employee benefits are recognised in the period during which the services have been rendered.

Long term employee benefits

Defined contribution plans (Provident fund and employees state insurance schemes)

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. These contributions are made to the fund administered and

managed by the Government of India. In addition, some employees of the Company are covered under the employees' state insurance schemes, which are also defined contribution schemes recognised and administered by the Government of India.

The Company's contributions to the above schemes are expensed in the Statement of profit and loss.

Defined benefit plans (Gratuity)

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'gratuity plan') covering all employees. The gratuity plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employees' salary and years of employment with the Company. The Company has taken gratuity policy with HDFC Life Insurance and SBI Life Insurance to cover the liability. The Company provides for the gratuity plan based on actuarial valuations in accordance with Accounting Standard 15 (revised).

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged or credited to the Statement of profit and loss in the year in which such gains or losses arise.

Other employee benefits

Leave encashment—The Company has recognised liability for short term compensated absences on full cost basis with reference to unavailed earned leaves at the year end. To the extent, the compensated absences qualify as a long term benefit, the Company has provided for the long term liability at year end as per the actuarial valuation using the Projected Unit Credit Method.

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged or credited to the Statement of profit and loss in the year in which such gains or losses arise.

j) Foreign currency transactions

- i. Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing at the date of transaction.
- ii. Foreign currency monetary items are re-measured at the year-end exchange rates. Exchange differences arising on settlement of foreign currency transactions or re-measurement of monetary items at the reporting date are recognized as income or expense in the Statement of profit and loss.
- iii. The premium or discount on forward exchange contracts covered under AS 11 "The effect of Changes in Foreign Exchange Rates", not relating to firm

commitments or highly probable forecast transactions and not intended for trading or speculative purposes is amortized as expense or income over the life of the contracts.

- iv. Derivative contracts relating to firm commitments or highly probable forecast transactions are recorded at fair value through Statement of profit and loss at each reporting date.

k) Research & development expenses

Revenue expenditure incurred on research and development is charged to Statement of profit and loss in the year it is incurred. Capital expenditure is included in the respective heads under fixed assets and depreciation/amortisation thereon is charged to depreciation in the profit and loss account.

l) Government grant

Government grants relating to depreciable fixed assets are treated as deferred income and recognised in the Statement of profit and loss over the remaining useful life of the related assets.

m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sales

- a) Revenue from sale of goods is recognised when all the significant risks and rewards of ownership are transferred to the buyer and the Company retains no effective control of the goods transferred to a degree usually associated with ownership; and
- b) No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Interest

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

n) Borrowing costs

Borrowing costs are charged to revenue except in cases where costs relate to qualifying assets in which case such costs are capitalised as a part of cost of respective assets till the date they are put to their intended use.

o) Taxation

i. Current tax

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

ii. Deferred tax

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax assets are reviewed at each balance sheet date and recognized/derecognized only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

p) Segment accounting

The accounting policies applicable to the reportable segment are the same as those used in the preparation of the financial statements as set out above.

Segment revenue and expenses include amounts which are directly identifiable to the segment or allocable on a reasonable basis.

Segment assets include all operating assets used by the segment and consist primarily of debtors, inventories and fixed assets. Segment liabilities include all operating liabilities and consist primarily of creditors and statutory liabilities.

q) Earnings per share (EPS)

The earnings considered in ascertaining the Company's basic EPS comprises net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The earnings considered in ascertaining the Company's dilutive EPS comprises net profit after tax as adjusted for expenses or income that would result from the conversion of the dilutive potential equity shares. The number of

shares used in computing diluted EPS is the weighted average number of shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares.

r) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Lease payments under an operating lease are recognised as an expense in the profit and loss account on a straight line basis over the lease term.

s) Provisions and contingencies

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where reliable estimate of the obligation cannot be made.

Long term provisions relating to site restoration of mining

land are discounted to present value of future obligations wherever required.

t) Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and in hand and short-term deposits with a maturity of three months or less.

u) Discontinued operation

A discontinued operation is a component of the entity that has been disposed and that represents a separate line of business. The results of discontinued operation are presented separately in the Statement of profit and loss. Revenue and expenses relating to discontinuing operations being disclosed in the notes.

v) Assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and the sale is highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell and are presented separately in the Balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

2 SHARE CAPITAL

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	(₹ in Lacs)	Number	(₹ in Lacs)
Authorised share capital				
Equity shares of ₹ 2 each	90,000,000	1,800.00	90,000,000	1,800.00
Preference shares of ₹ 100 each	3,000,000	3,000.00	3,000,000	3,000.00
		4,800.00		4,800.00
Issued, subscribed and fully paid up share capital				
Equity shares of ₹ 2 each	50,276,013	1,005.52	50,276,013	1,005.52
		1,005.52		1,005.52

a) There is no movement in the equity share capital during the current year and the previous year.

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having the par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

During the year ended March 31, 2019, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 1.50 per share including final dividend ₹ 1.00 per share for the last year (2017-18 : ₹ 0.50 per share).

Board of Directors proposed a final dividend of ₹ Nil per share on May 06, 2019 (2017-18 : ₹ 1.00 per share) subject to approval of share holders.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) The Company has neither issued any equity shares for consideration other than cash nor any bonus shares issued during the immediately preceding five financial years. Also there has been no buy back of shares either in the aforesaid period.

d) Shares held by Holding Company**Equity shares**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	(₹ in Lacs)	Number	(₹ in Lacs)
DBH International Private Limited	32,678,691	653.57	32,675,038	653.50

e) Details of shareholders holding more than 5% shares in the Company

Name of Shareholders	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares				
DBH International Private Limited	32,678,691	65.00	32,675,038	64.99
Karun Carpets Private Limited	13,399,375	26.65	13,399,375	26.65

f) A Scheme of Amalgamation has been filed by Karun Carpets Private Limited (one of the promoter of the Company) before the National Company Law Tribunal ("NCLT"), Chandigarh for amalgamation of DBH International Private Limited ["DBHI"], Bharat Starch Products Private Limited ["BSPL"], DBH Investments Private Limited ["DBHInv"] into Karun Carpets Private Limited ["KCPL"]. DBHI and KCPL are promoters of EICL Limited ["EICL"] and once the Scheme is approved by the shareholders of the above Transferor and Transferee Companies and by the regulatory authorities, including but not limited to National Company Law Tribunal, then the shares of EICL, held by DBHI would get consolidated in KCPL.

3 RESERVES AND SURPLUS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital reserves*	6.34	6.34
Capital redemption reserve		
Opening Balance	3,441.38	2,441.38
Add: Additions during the year	-	1,000.00
Balance at the end of the year	3,441.38	3,441.38
General reserve	5,566.85	5,566.85
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	10,427.00	9,406.33
Add: Profit for the year	1,170.05	3,083.23
Appropriations		
Less: Final dividends relating to previous year		
- Preference shares	-	27.50
- Equity shares	502.76	251.38
Less: Interim dividends for the year		
- Preference shares	-	101.19
- Equity shares	251.38	502.76
Less: Corporate dividend tax	155.02	179.73
Less: Transfer to capital redemption reserve	-	1,000.00
Balance at the end of the year	10,687.89	10,427.00
Total	19,702.46	19,441.57

* There has been no movement in capital reserves during the year

4 DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed assets: Impact of difference between tax depreciation and depreciation charged in the books	1,630.82	1,616.94
Gross deferred tax liabilities	1,630.82	1,616.94
Deferred tax assets		
Employee benefits	97.62	97.41
Provision for doubtful debts and advances	99.72	74.75
Site restoration obligation	120.45	68.61
Gross deferred tax assets	317.79	240.77
Deferred tax liabilities (net)	1,313.03	1,376.17

5 OTHER LONG TERM LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deposits from vendors	3.58	2.52
Deposits from customers	0.40	13.45
Total	3.98	15.97

6 LONG TERM PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Leave encashment (refer note 30)	57.18	57.60
Site restoration obligation [Note (a)]	1,857.56	1,713.77
Total	1,914.74	1,771.37

Notes :

- (a) Site restoration obligation w.r.t. mining land of clay business is recognised on April 01, 2016 in view of the requirement of Accounting Standard 10 - "Property, Plant and Equipment" read with Accounting Standard 29- "Provisions, Contingent Liabilities and Contingent Assets". The details are given below:

Opening present value of obligation	1,713.77	1,593.77
Less : Expenses incurred during the year	(13.77)	(31.06)
Add : Finance charge during the year	157.56	151.06
Closing present value of obligation	1,857.56	1,713.77

7 SHORT TERM BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Loans repayable on demand		
From banks		
Cash credit account with scheduled banks (note a and b)	1,452.72	1,175.19
Working capital demand loans (note a and b)	1,000.00	500.00
	2,452.72	1,675.19
Unsecured		
From bank		
Short tem capex loan (note c)	2,000.00	-
Total	4,452.72	1,675.19

Notes:

- a) Cash credit facility and working capital demand loans along with bank guarantees and letters of credit facilities given by the banks are secured by hypothecation of finished goods, semi-finished goods, consumable stores and spares, raw material and book debts related to clay business.

- b) Cash credit facility and working capital demand loans from the bank comprises of the following:
- Cash credit facility of ₹ 2,500 lacs sanctioned by Axis Bank is repayable on demand and carries interest @ 3 months MCLR + 0.50% p.a. (2017-18 : 3 months MCLR + 0.50% p.a). Working capital demand loan of ₹ 1,000 lacs from Axis bank carries interest @ 3 months MCLR p.a.
 - Cash credit facility /working capital demand loan of ₹ 500 lacs from HDFC Bank is repayable on demand and carries interest @ 1 year MCLR + 0.25% p.a. (2017-18 : 1 year MCLR + 0.35% p.a.).
 - Cash credit facility / working capital demand loan of ₹ 2,000 lacs sanctioned by ICICI Bank is repayable on demand and carries interest @ 6 months MCLR + 0.50% p.a. (2017-18 : @ 6 months MCLR + 0.50% p.a).
- c) Unsecured short term capex loan of ₹ 2,000 lacs taken from HDFC Bank Limited during the year and carries interest @ 1 year MCLR + 0.25% p.a. The loan is repayable in three installments on November 2019 ₹ 500 lacs, December, 2019 ₹ 750 lacs and January, 2019 ₹ 750 lacs.

8 TRADE PAYABLES

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Total dues to Micro and Small Enterprises (refer note below)	121.16	152.89
Dues to others:		
Creditors for goods	972.05	1,656.89
Creditors for expenses	2,130.83	1,920.65
Total	3,224.04	3,730.43

Note:

Dues to micro, small and medium enterprises pursuant to Section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Principal amount remaining unpaid	121.16	152.89
Interest due thereon	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid as at Balance Sheet date.		
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-
	121.16	152.89

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMEDA'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at Balance Sheet date has been made in the financial statements based on the information received and available with the Company.

9 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long term borrowings	-	267.62
Interest accrued but not due on long term borrowings	-	1.09
Unpaid dividends	21.28	18.79
Employee related payables	155.83	198.96
Capital creditors	44.18	22.09
Advances from customers	54.31	83.57
Statutory dues		
Excise duty / GST / Sales tax payable	28.11	40.49
Provident fund payable	33.56	32.80
Tax deducted at source payable	39.50	35.25
Employee state insurance payable	0.29	0.32
Service tax and other statutory dues	0.05	0.07
Other liabilities		
Other payables*	142.96	369.66
Total	520.07	1,070.71

* Other payables includes ₹ 136.30 lacs payable towards penalty as referred to in note 26 and (2017-18: ₹ 365 lacs received as advance towards sale of assets at Shimoga)

10 SHORT TERM PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Leave encashment payable (refer note 30)	223.22	221.15
Others		
Provision for taxes, net of advance taxes paid including tax deducted at source ₹ 7,026.14 lacs (2017-18: ₹ 6,008.42 lacs)	132.93	356.41
Total	356.15	577.56

11 PROPERTY, PLANT AND EQUIPMENT for the year ended March 31, 2019

Particulars	Gross block					Depreciation/ amortisation					Net block			
	Upto March 31, 2018	Additions during the year	Sale/ Transferred to Asset held for sale	Upto March 31, 2019	Assets transferred on Business sale	For the year Continuing Operations	For the year Discontinued Operations	Sale/ Impairment adjustments	Impairment of Assets	Transferred to Asset held for sale	Assets transferred on Business sale	Upto March 31, 2019	As at March 31, 2019	As at March 31, 2018
Tangible assets														
Land & site development														
Leasehold	0.15	438.07	-	438.22	-	0.56	-	-	-	-	-	0.71	437.51	-
Freehold	8,303.30	1,273.04	-	9,576.34	-	0.21	-	-	-	-	-	0.21	9,576.13	8,303.09
Factory and other buildings	3,540.86	31.97	-	3,572.83	-	142.28	-	-	-	-	-	1,575.66	1,997.17	2,107.48
Plant and other equipment	16,066.25	201.97	16.45	16,251.77	-	627.96	-	16.45	-	-	-	10,019.73	6,232.04	6,658.03
Furniture and fixtures	202.42	16.37	-	218.79	-	13.79	-	-	-	-	-	146.24	72.55	69.97
Office equipment	255.50	42.87	0.89	297.48	-	18.64	-	0.89	-	-	-	220.79	76.69	52.46
Leasehold improvements	62.50	-	-	62.50	-	59.89	-	-	-	-	-	59.89	2.61	2.61
Vehicles and cycles	206.55	59.00	11.36	254.19	-	29.61	-	5.56	-	-	-	105.26	148.93	125.34
Total tangible assets	28,637.53	2,063.29	28.70	30,672.12	-	832.84	-	22.90	-	-	-	12,128.49	18,543.63	17,318.98
Intangible assets														
Computer software / licence fees	244.32	8.08	-	252.40	-	7.13	-	-	-	-	-	242.78	9.62	8.67
Total intangible assets	244.32	8.08	-	252.40	-	7.13	-	-	-	-	-	242.78	9.62	8.67
Total	28,881.85	2,071.37	28.70	30,924.52	-	839.97	-	22.90	-	-	-	12,371.27	18,553.25	17,327.65
Capital work in progress														1,025.24
														109.32

for the year ended March 31, 2018

Particulars	Gross block					Depreciation/ amortisation					Net block			
	Upto March 31, 2017	Additions during the year	Sale/ Transferred to Asset held for sale	Upto March 31, 2018	Assets transferred on Business sale	For the year Continuing Operations	For the year Discontinued Operations	Sale/ Impairment adjustments	Impairment of Assets	Transferred to Asset held for sale	Assets transferred on Business sale	Upto March 31, 2018	As at March 31, 2018	As at March 31, 2017
Tangible assets														
Land and site development														
Leasehold	0.15	-	-	0.15	-	-	-	-	-	-	-	0.15	-	-
Freehold	9,835.90	20.32	602.12	8,303.30	950.80	143.23	101.97	-	19.80	364.95	328.56	1,433.38	2,107.48	9,835.69
Factory and other buildings	5,755.19	252.21	1,725.22	3,540.86	741.32	688.93	239.56	648.44	1,073.27	2,476.32	2,235.50	9,408.22	6,658.03	11,435.06
Plant and equipment	24,201.78	264.63	1,469.49	16,066.25	3,954.35	12,773	1,900	0.08	5.54	14,955	5.83	132.45	69.97	87.76
Furniture, fixtures	220.90	2.88	0.08	202.42	6.33	16.34	2.24	1.95	5.21	49.52	50.16	203.04	52.46	75.29
Office equipment	356.17	14.70	5.41	255.50	60.45	280.88	16.34	1.95	5.21	49.52	50.16	203.04	52.46	75.29
Leasehold improvements	62.50	-	-	62.50	-	59.89	-	-	-	-	-	59.89	2.61	2.61
Vehicles and cycles	225.53	17.46	2.85	206.55	25.81	24.51	3.19	1.90	-	6.48	11.36	81.21	125.34	152.28
Total tangible assets	40,658.12	572.20	1,477.83	28,637.53	5,739.06	885.74	348.86	652.37	1,103.82	2,912.22	2,631.41	11,318.55	17,318.98	25,481.99
Intangible assets														
Technical know-how / brand	671.18	-	223.73	-	447.45	-	-	-	-	223.73	447.45	-	-	-
Computer software / licence fees	248.78	0.65	3.50	244.32	1.61	7.18	1.06	-	-	3.50	0.26	235.65	8.67	17.61
Total intangible assets	919.96	0.65	227.23	244.32	449.06	7.18	1.06	-	-	227.23	447.71	235.65	8.67	17.61
Total	41,578.08	572.85	1,477.83	28,881.85	6,188.12	892.92	349.92	652.37	1,103.82	3,139.45	3,079.12	11,554.20	17,327.65	25,499.60
Capital work in progress														355.83
														109.32

Notes :

- Land includes provision for site restoration w.r.t. mining land used by the Company for clay business amounting to ₹ 1,554.46 lacs (2017-18: ₹ 1,554.46) in view of amendment in Accounting Standard 10 - "Property, Plant and Equipment" issued by ICAI. The value of the obligation was assessed based on the present value of future obligation as on April 01, 2016.
- Additions to plant and machinery include additions to research and development assets amounting to ₹ 44.24 lacs (2017-18: ₹ 127.76 lacs) and depreciation charge for the year includes ₹ 57.19 lacs (2017-18: ₹ 66.01 lacs) on account of research and development assets.
- Additions to factory and other buildings includes ₹ 5.63 lacs (2017-18 ₹ 0.18 lacs) and additions to plant and machinery includes ₹ 8.83 lacs (2017-18 ₹ 0.28 lacs) on account of capitalisation of foreign exchange fluctuation of long term borrowings.
- Depreciation for the year excludes depreciation amount of ₹ 49.23 lacs (2017-18 ₹ 0.28 lacs) on account of slump sale basis on January 31, 2018. Consequently, the assets transferred on account of slump sale have been reduced from the block.
- During the previous year, Yamuna Nagar starch business undertaking was sold as going concern on slump sale basis on January 31, 2018. Consequently, the assets transferred on account of slump sale have been reduced from the block.
- During previous year, assets relating to Shimoga unit transferred to assets held for sale.

12 NON CURRENT INVESTMENT

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade investments (valued at cost unless otherwise stated)		
Investment in equity	5.00	5.00
Total	5.00	5.00

Details of trade investments (unquoted)

Name of the body corporate	Number of shares	Face value (₹)	Partly paid/ Fully paid	Amount (₹ in Lacs)	Amount (₹ in Lacs)
1	2	3	4	5	6
	As at March 31, 2019	As at March 31, 2018		As at March 31, 2019	As at March 31, 2018
Equity					
Kerala Enviro Infrastructures Limited	50,000	50,000	10 Fully paid	5.00	5.00
				5.00	5.00

13 LONG TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Capital advances	195.03	175.12
Security deposits	235.43	218.50
Loans and advances to related parties (note a)	2.00	2.00
Other loans and advances		
- Duty/taxes paid under protest recoverable (also refer note 40.2)	22.50	22.50
- Balances with tax authorities	1,213.70	-
- Others (refer note b)	334.43	311.71
Total	2,003.09	729.83

Note:

- a) Amounts due from related parties:
- Bharat Starch Products Private Limited 2.00 2.00
- b) Others includes the excess of plan asset over present value of gratuity obligation of ₹ 312.70 lacs (FY 2017-18 : ₹ 311.64 lacs).

14 OTHER NON CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Margin money deposits (note a)	2.47	2.40
Total	2.47	2.40

Note:

- a) Margin money deposits are under lien with banks for issuance of bank guarantee and letter of credits.

15 INVENTORIES

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	334.14	800.99
Work in progress	72.50	99.00
Finished goods*	925.50	1,755.84
Stores and spares	773.11	822.37
Total	2,105.25	3,478.20

* Includes by-product of ₹ 83.33 lacs (2017-18 ₹ 16.09 lacs) and traded goods of Clay products of ₹ 28.22 lacs (2017-18 ₹ 23.31 lacs)

16 TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	54.31	35.76
Unsecured, considered good	2,538.74	4,695.63
Unsecured, considered doubtful	-	96.45
Less: Provision for doubtful debts	-	(96.45)
	2,593.05	4,731.39
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	66.78	40.87
Unsecured, considered doubtful	285.30	117.47
Less: Provision for doubtful debts (note a)	(285.30)	(117.47)
	66.78	40.87
Total	2,659.83	4,772.26

Note:

a) ₹ 36.61 lacs (2017-18 : ₹ 122.75 lacs) has been written off during the year against the provision.

17 CASH AND BANK BALANCES

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents		
Cash on hand	8.14	2.51
Bank balances		
- in current accounts	23.44	25.32
- in deposits with maturity of less than three months	1,900.00	-
	1,931.58	27.83
Other bank balances		
Margin money deposits (note a)	11.98	44.06
Unpaid dividend accounts	21.28	18.79
	33.26	62.85
Total	1,964.84	90.68

Notes:

a) Margin money deposits are under lien with banks for issuance of bank guarantee and letter of credits.

18 SHORT TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Advances to vendors	62.29	82.26
Loans and advances to related parties	3.29	15.40
Balances with tax authorities	1,423.27	1,261.94
Prepaid expenses	58.79	80.43
Others	130.27	99.59
Total	1,677.91	1,539.62

19 OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Fixed assets held for sale (at lower of cost and net realisable value) (note a)	2,482.82	2,609.53
Interest receivable	13.01	-
Total	2,495.83	2,609.53

Note:

- a) Fixed assets held for sale represent land and buildings of gross book value ₹ 2,881.88 lacs (2017-18: ₹ 2,459.37 lacs) and net book value ₹ 2,482.81 lacs (2017-18: ₹ 2,609.53 lacs) located at Shimoga unit, which management intends to divest within the next 12 months at amounts equal to or exceeding the asset carrying values at the respective Balance Sheet dates.

20 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of products	27,059.44	28,945.99
Other operating revenues		
- Sale of scrap	54.52	71.17
Total	27,113.96	29,017.16
Details of products sold		
Clay products	25,834.43	27,978.71
By-products and others	1,279.53	1,038.45
Total	27,113.96	29,017.16

21 OTHER INCOME

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest on deposits (gross) [tax deducted at source of ₹ 3.21 lacs (2017-18: ₹ 2.63 lacs)]	32.10	19.28
Service charges	130.54	105.78
Exchange fluctuation (net)	33.86	-
Miscellaneous income	10.09	97.16
Total	206.59	222.22

22 CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock		
Finished goods	1,550.34	1,757.34
Work in progress	99.00	99.31
Total	1,649.34	1,856.65
Closing stock		
Finished goods*	925.50	1,550.34
Work in progress	72.50	99.00
Total	998.00	1,649.34
Changes in inventories of finished goods, work in progress and stock in trade	651.34	207.31

* Excludes finished goods of Starch business of ₹ Nil (2017-18: ₹ 205.50 lacs).

Details of inventory:

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Finished goods		
Clay products	897.28	1,534.25
By-products and others	28.22	16.09
Total	925.50	1,550.34
Work in progress		
Clay products	70.29	93.31
By-products and others	2.21	5.69
Total	72.50	99.00

23 EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	4,255.01	3,996.31
Contribution to provident and other funds	171.91	171.52
Gratuity expense (note a)	(1.06)	90.69
Staff welfare expenses	302.62	276.03
	4,728.48	4,534.55
Less: Amount capitalised during the year	205.51	-
Total	4,522.97	4,534.55

Notes:

- Gratuity expenses is netted off with income on trust fund amounting to ₹ 107.25 lacs (2017-18: ₹ 84.10 lacs).
- Employee benefit expenses includes research and development expenses (also refer note 41).

24 FINANCE COSTS

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest expense		
- On fixed period loans	143.25	534.42
- Others (Note a)	453.71	226.14
Total	596.96	760.56

Note:

- a) Includes ₹ 157.56 lacs (2017-18: ₹ 151.06 lacs) towards finance charges for the year on the site restoration cost provided based on present value of future obligation.

25 OTHER EXPENSES

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Manufacturing expenses		
Stores consumed	461.51	441.72
Power and fuel	7,040.85	6,680.49
Repairs and maintenance		
- Plant and machinery	886.82	887.12
- Factory buildings	156.17	189.01
- Others	165.62	170.59
Other manufacturing expenses	703.19	772.64
Less : Amount adjusted against site restoration obligation	(13.77)	(31.06)
Royalty	194.46	257.83
Total (A)	9,594.85	9,368.34
Administration expenses		
Rent	260.54	353.31
Rates and taxes	45.34	77.72
Insurance	20.69	33.44
Exchange fluctuation (net)	-	13.33
Directors' sitting fees	19.25	20.20
Office and other expenses (note a)	379.49	322.68
Legal and professional expenses	176.40	210.84
Security service charges	152.51	160.59
Payment to auditors (note 29)	45.60	44.38
Travelling and conveyance	193.60	251.77
Charity and donation	49.12	19.37
Provisions for doubtful debts/advances*	26.90	36.03
Bank charges	26.89	48.72
Loss on sale/write off of fixed assets	1.40	8.27
Corporate Social Responsibility (CSR) Expenses (note c)	62.12	61.23
Total (B)	1,459.85	1,661.88

* Provisions for doubtful debts excludes ₹ 81.09 lacs (FY 2017-18 ₹ 120 lacs) relating to discontinued operations.

(₹ in Lacs)

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Selling and distribution expenses		
Packing and forwarding expenses	779.02	846.38
Commission to selling agents and others	70.80	77.33
Rebates and discount	51.13	48.98
Other selling expenses	355.61	387.76
Total (C)	1,256.56	1,360.45
Total (A + B + C)	12,311.26	12,390.67

Note:

- Office and other expenses includes research and development expenses (note 41).
- Amount aggregating to ₹ 65.71 lacs incurred on Cuddalore project has been considered as pre operative expenses and included in Capital work in progress.
- As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas of CSR activities are rain water harvesting, supply of water and promoting education to villagers. The funds were primarily allocated and utilised for the activities which are specified in Schedule VII of the Companies Act, 2013. The amount required to be spent ₹ 86.85 lacs against which an amount of ₹ 62.12 lacs incurred during the year.

(₹ in Lacs)

Particulars	Year ended March 31, 2019	
	In Cash	Yet to be paid in cash
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	62.12	-
Total of (i) and (ii)	62.12	-

(₹ in Lacs)

Particulars	Year ended March 31, 2018	
	In Cash	Yet to be paid in cash
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	61.23	-
Total of (i) and (ii)	61.23	-

26 EXCEPTIONAL ITEMS**Mining operations**

During the year, the Hon'ble High Court of Kerala, on an application by some local residents, passed an order which directed the Company to stop mining at certain mines pending compliance with certain conditions/ directions and payment of a penalty resulting in closure of mines. Having complied with all conditions / directions, and payment of Penalty of ₹ 136.30 lacs (which has been recorded as an exceptional item during the year), the Company has applied to/ requested relevant authorities for requisite environmental clearance. The Company shall be able to resume its mining operations on receipt of such environmental clearance and also consequently achieve full level of production and improved profitability. The Company is confident of securing the aforementioned clearance, which has been used as the basis in concluding classification of the underlying land as property, plant and equipment, non-impairment of plant and machinery, and measurement of site restoration obligations.

27 DISCONTINUING OPERATIONS

- i) During previous year, Yamunanagar starch business undertaking was sold as going concern on slump sale basis with effect from January 31, 2018 at a lump sum sale consideration of ₹ 5,250 lacs, which has been arrived at without values being assigned to individual assets and value of net current assets relating to the division. Consequently gain of ₹ 1,872.09 lacs has been recorded under exceptional items.
- ii) During the previous year, some of the assets of Starch business with carrying cost of ₹ 811.37 lacs were discarded and sold resulting in a loss of ₹ 709.02 lacs.
- iii) During the previous year management decided to sell certain assets of the Shimoga undertaking to a Company as per Assets Transfer agreement dated February 21, 2018, consequent to which physical transfer of movable assets took place during the current year and immovable assets were shown under Assets held for sale and impairment loss of 1,103.82 lacs recognised during previous year.

The aggregate of i, ii, and iii above amounting to ₹ 59.25 lacs shown as exceptional item in Statement of Profit and Loss for the year ended March 31, 2018.

27.1 DISCONTINUING OPERATIONS

i. The following statement shows the revenue and expenses of continuing and discontinuing operations. (₹ in Lacs)

Particulars	Continuing Operations		Discontinuing Operations		Total	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
INCOME						
Revenue from operations (gross)	27,113.96	29,017.16	895.03	15,332.60	28,008.99	44,349.76
Less: Excise duty	-	-	-	299.36	-	299.36
Revenue from operations (net)	27,113.96	29,017.16	895.03	15,033.24	28,008.99	44,050.40
Other income	206.59	222.22	3.04	189.63	209.63	411.85
Total income	27,320.55	29,239.38	898.07	15,222.87	28,218.62	44,462.25
EXPENSES						
Cost of materials consumed	5,782.57	6,144.32	442.09	10,430.87	6,224.66	16,575.19
Purchase of traded goods	477.82	187.66	-	280.31	477.82	467.97
Changes in inventories of finished goods, work in progress and stock in trade	651.34	207.31	205.50	(28.60)	856.84	178.71
Employee benefits expense	4,522.97	4,534.55	63.65	1,094.43	4,586.62	5,628.98
Finance costs	596.96	760.56	-	290.61	596.96	1,051.17
Depreciation and amortisation expense	839.97	892.92	49.23	349.92	889.20	1,242.84
Other expenses	12,311.26	12,390.67	233.22	2,736.24	12,544.48	15,126.91
Total expenses	25,182.89	25,117.99	993.69	15,153.78	26,176.58	40,271.77
Profit/(loss) before tax and exceptional items	2,137.66	4,121.39	(95.62)	69.09	2,042.04	4,190.48
Exceptional items	(136.30)	-	-	59.25	(136.30)	59.25
Profit/(loss) before tax	2,001.36	4,121.39	(95.62)	128.34	1,905.74	4,249.73
Tax expense:						
- Current tax	777.23	1,431.93	8.69	710.46	785.92	2,142.39
- Taxes for earlier years	12.92	0.46	-	-	12.92	0.46
- Deferred tax	(21.05)	37.25	(42.10)	(1,013.60)	(63.15)	(976.35)
Profit/(loss) for the year	1,232.26	2,651.75	(62.21)	431.48	1,170.05	3,083.23

ii. The following statement shows the assets and liabilities of discontinuing operations.

(₹ in Lacs)

Statement of assets and liabilities	March 31, 2019	March 31, 2018
Current assets		
Inventories	-	379.70
Trade receivables	-	831.11
Cash and bank balances	-	3.03
Short term loans and advances	18.74	48.73
Other current assets (fixed assets held for sale)	2,482.81	2,609.53
A. Total current assets	2,501.55	3,872.10
Current liabilities		
Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	-	137.21
(b) dues of others	-	474.08
Other current liabilities	2.21	398.60
Short term provisions	-	6.73
B. Current liabilities	2.21	1,016.62
Net Assets (A-B)	2,499.34	2,855.48

iii. Cash flow statement of discontinuing operations.

(₹ in Lacs)

Statement of Cash Flows for the year ended	March 31, 2019	March 31, 2018
A. Cash flow from operating activities:	428.88	2,416.35
B. Cash flow from investing activities:	(180.08)	4,410.10
C. Cash flow from financing activities:	-	(290.61)
Net cash and cash equivalent generated from discontinuing operations	248.80	6,535.84

28 EARNINGS PER SHARE

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a) Net profit after tax available to equity shareholders		
Net profit for the year	1,170.05	3,083.23
Less : Dividend on 11% cumulative redeemable preference shares (including tax)	-	121.78
Net profit after tax available to equity shareholders	1,170.05	2,961.45
b) Weighted average number of equity shares outstanding for basic and diluted earnings per share	50,276,013	50,276,013
c) Face value per share (₹)	2	2
d) Basic and diluted earnings per equity share (₹)	2.33	5.89

29 AMOUNT PAID TO AUDITORS

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
For audit	27.00	38.00
For tax audit	3.00	3.00
For GST audit	10.50	-
For certification	2.23	0.54
For expenses	2.87	2.84
Total	45.60	44.38

30 EMPLOYEE BENEFITS

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

Defined contribution plans

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Employer's contribution to provident fund *	173.02	223.99
Employer's contribution to ESI**	2.28	17.70

* Included in contribution to provident fund

** Included in staff welfare expenses

Defined benefit plans

Company has defined benefit plan in terms of gratuity.

a. The assumptions used to determine the gratuity benefits obligations are as follows:

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	7.47%	7.56%
Expected rate of increase in compensation levels	8.00%	8.00%
Rate of return on plan assets	7.47%	7.56%

Note: The above assumptions are also used to determine leave encashment benefits

b. Reconciliation of opening and closing balances of benefit obligations:

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Projected benefit obligation at the beginning of the year	1,106.97	1,498.34
Current service cost	66.43	84.38
Interest cost	83.69	102.19
Benefits paid	(89.92)	(99.59)
Amount transferred to buyer of starch business	-	(544.36)
Actuarial (gain) / loss	(40.14)	66.01
Projected benefit obligation at the end of the year	1,127.03	1,106.97

c. Reconciliation of fair value of assets:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Fair value of plan assets at the beginning of the year	1,418.62	1,233.10
Expected return on plan assets	107.25	84.10
Contributions	-	200.00
Benefits paid	(89.92)	(99.59)
Actuarial (loss) / gain on plan assets	3.79	1.01
Fair value of plan assets at the end of the year	1,439.74	1,418.62

d. Gratuity expense recognised in the Statement of Profit and Loss:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	66.43	84.38
Expected return on plan assets	(107.25)	(84.10)
Interest cost	83.69	102.19
Actuarial (gain) / loss	(43.93)	65.00
Total (also refer note 23)	(1.06)	167.47

* Includes ₹ Nil (FY 2017-18 ₹ 76.78 lacs) relating to discontinued operations.

e. Amounts for the current and previous years are as follows:

Particulars	(₹ in Lacs)				
	2018-19	2017-18	2016-17	2015-16	2014-15
Defined benefit plan-Gratuity					
Defined benefit obligation	(1,127.03)	(1,106.97)	(1,498.97)	(1,321.52)	(1,156.12)
Plan assets*	1,439.74	1,418.62	1,233.10	1,059.56	907.76
Surplus / (deficit)	312.71	311.65	(265.87)	(261.96)	(248.36)
Experience adjustment on plan liabilities	(46.21)	(495.13)	(32.14)	24.72	15.62
Experience adjustment on plan assets	3.79	1.01	7.60	5.88	5.77

* Plan assets are maintained with insurance companies in debt and traditional funds.

31 LEASE COMMITMENTS:

The Company has entered into leasing arrangements for office buildings and godown for storage of inventory that are cancellable at the option of the Company. Rent expense on account of cancellable leases for the year ended March 31, 2019 amounts to ₹ 260.54 lacs (2017-18 : ₹ 357.07 lacs).

The Company has entered into leasing arrangements for Gurugram office on February 15, 2019 for the period of 6 years, out of which the minimum commitment is for 2 years. There after the lease can be cancelled at the option of lessee.

The Company has entered into leasing arrangements for Bangalore office on July 01, 2013 for the period of 9 years, out of which the minimum commitment is for 5 years. There after the lease can be cancelled at the option of lessee.

The details of lease commitments in terms of minimum lease payments within the non-cancellable period are as follows:

Payments falling due:	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Payable not later than 1 year	17.19	10.67
Payable later than 1 year not later than five years	15.07	-
Total	32.26	10.67

32 SEGMENT INFORMATION

Primary Segment reporting (by business segments)

i. Composition of Business segments

The Company's business segments are organised as under:

- a) **Clay products:** Segment manufactures and supplies the clay products to various industries like paper, paint, rubber and fibreglass etc.,
b) **Starch products:** Segment comprising starch/ speciality starch, syrups and modified starch, manufactures and supplies the starch products to various industries like paper, textile, food and pharma etc. (Refer note 27).

A. Primary segment

Particulars	CLAY		STARCH		TOTAL	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
- Segment revenue						
Gross sales to external customers	27,113.96	29,017.16	895.03	15,332.60	28,008.99	44,349.76
Other income	47.41	27.77	3.04	189.63	50.45	217.40
- Segment result (Operating profit/(loss))	2,853.97	5,013.12	(95.62)	359.71	2,758.35	5,372.83
Un-allocated other income					159.18	194.45
Less:						
Un-allocated expenses					(278.53)	(325.62)
Interest expense					(596.96)	(1,051.17)
Exceptional items loss *					(136.30)	59.25
Income taxes (net)					(735.69)	(1,166.51)
Net profit as per Statement of Profit and Loss					1,170.05	3,083.23
- Total carrying amount of segment asset	27,220.86	25,726.16	2,501.55	3,872.10	29,722.41	29,598.26
Un-allocated					2,770.30	1,066.23
- Segment liabilities	5,342.46	5,172.69	2.21	1,016.63	5,344.67	6,189.32
Un-allocated					6,440.06	4,028.08
- Capital expenditure during the year	2,926.76	182.38	422.51	286.30	3,349.27	468.68
Un-allocated					46.07	6.23
- Depreciation and amortisation	789.21	845.20	49.23	349.92	838.44	1,195.12
Un-allocated					50.76	47.72
					889.20	1,242.84

* Exceptional item for the year relates to Clay Business and for the previous year it relates to Starch Business.

B. Secondary Segment

Particulars	India		Outside India*		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
- Revenue	25,399.99	39,983.38	2,609.00	4,366.38	28,008.99	44,349.76
- Total assets	32,061.80	29,842.31	430.91	822.18	32,492.71	30,664.49
- Capital expenditure during the year	3,395.34	474.91	-	-	3,395.34	474.91

* Represents exports to Japan, Australia, United Kingdom, Nepal, Bangladesh, Egypt, Kenya, Mauritius, U.A.E, Oman, Saudi Arabia, Iran, Jordan, Bahrain, Sri Lanka, Malaysia, Indonesia, Thailand, Philippines, Turkey, Germany, Italy, Spain, Singapore, Dominican Republic, Morocco, Madagascar, Zimbabwe and Malta.

(₹ in Lacs)

(₹ in Lacs)

33 RELATED PARTY TRANSACTIONS

i) List of related parties

A. Holding Company

DBH International Private Limited

B. Associates

Enterprises which have significant influence over the Company:

Karun Carpets Private Limited

C. Enterprises over which substantial shareholders of the Company and their relatives have significant influence:

Greaves Cotton Limited

Premium Transmission Private Limited

Pembrill Industrial & Engineering Co. Limited

Greaves Leasing Finance Limited

Dee Greaves Limited

Bharat Starch Products Private Limited

Aravali Sports & Cultural Foundation

DBH Consulting Limited

DBH Investments Pvt. Limited

Ampere Vehicles Private Limited

D. Key management personnel and their relatives

Mr. Karan Thapar – Chairman

Ms. Devika Thapar (Daughter of Mr. Karan Thapar)

Mr. Karam Thapar (Son of Mr. Karan Thapar)

Mr. Vijay Kishore Sharma - Director

Mr. T. Balakrishnan - Director

Mr. Vijay Dilbagh Rai - Director

Ms. Shivpriya Nanda - Director

Mr. Joy Kumar Jain - Director

Mr. Suresh Kumar Jain -Executive Director

Mr. Mahendra Kumar Gupta - Chief Financial Officer

Ms. Shalini Chawla - Company Secretary

ii) Particulars	Holding Company		Enterprise which has significant influence over the company		Enterprises over which substantial shareholders and their relatives have significant influence		Key management personnel and their relatives		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	(₹ in Lacs)									
Purchase of goods										
Premium Transmission Private Limited	-	-	-	-	-	2.00	-	-	-	2.00
Reimbursement of expenses received										
Premium Transmission Private Limited	-	-	-	-	113.95	111.33	-	-	113.95	111.33
Greaves Cotton Limited	-	-	-	-	40.10	13.86	-	-	40.10	13.86
Receiving of services										
DBH Consulting Limited	-	-	-	-	-	21.57	-	-	22.52	21.57
Rent paid										
Bharat Starch Products Private Limited	-	-	-	-	-	21.11	-	-	21.24	21.11
Dividend paid on preference shares										
DBH International Private Limited	-	128.68	-	-	-	-	-	-	-	128.68
Redemption of preference share capital										
DBH International Private Limited	-	1,000.00	-	-	-	-	-	-	-	1,000.00
Dividend paid on equity shares										
DBH International Private Limited	490.13	489.91	-	-	-	-	-	-	490.13	489.91
Karun Carpets Private Limited	-	-	200.99	200.99	-	-	-	-	200.99	200.99
Director's commission										
Mr. Karan Thapar	-	-	-	-	-	-	-	11.73	11.73	23.54
Mr. Vijay Kishore Sharma	-	-	-	-	-	-	-	2.58	2.58	3.62
Mr. T. Balakrishnan	-	-	-	-	-	-	-	2.11	2.11	3.62
Mr. Vijay Dilbagh Rai	-	-	-	-	-	-	-	2.11	2.11	5.43
Ms. Shivpriya Nanda	-	-	-	-	-	-	-	2.11	2.11	3.62
Mr. Joy Kumar Jain	-	-	-	-	-	-	-	2.82	2.82	5.43
Director's sitting fees										
Mr. Karan Thapar	-	-	-	-	-	-	-	2.95	2.95	3.00
Mr. Vijay Kishore Sharma	-	-	-	-	-	-	-	3.30	3.30	3.20
Mr. T. Balakrishnan	-	-	-	-	-	-	-	3.30	3.30	3.50
Mr. Vijay Dilbagh Rai	-	-	-	-	-	-	-	2.25	2.25	3.00
Ms. Shivpriya Nanda	-	-	-	-	-	-	-	3.60	3.60	3.50
Mr. Joy Kumar Jain	-	-	-	-	-	-	-	3.85	3.85	4.00
Remuneration										
Mr. Suresh Kumar Jain (refer note below)	-	-	-	-	-	-	-	171.78	171.78	107.53
Mr. Mahendra Kumar Gupta	-	-	-	-	-	-	-	99.00	99.00	71.27
Ms. Shalini Chawla	-	-	-	-	-	-	-	44.79	44.79	26.34
Other expenses										
Aravali Sports & Cultural Foundation	-	-	-	-	-	10.00	-	-	7.50	10.00

Note:

During the current year, the managerial remuneration paid to Mr. Suresh Kumar Jain, Executive Director is in excess of the limits laid down under section 197 of the Companies Act, 2013 by ₹ 54.44 lacs. The Company is in the process of obtaining approval from its shareholders as per the provisions of the Companies Act, 2013 at the ensuing Annual General Meeting for such excess remuneration amount.

33 RELATED PARTY TRANSACTIONS (Cont'd)**iii) Balance outstanding at the year end**

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Receivable from enterprises over which substantial shareholders and their relatives have significant influence		
Bharat Starch Products Private Limited	2.00	2.00
Premium Transmission Private Limited	-	12.30
Greaves Cotton Limited	3.29	3.10

34 DETAILS OF RAW MATERIAL AND COMPONENTS CONSUMED

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Clay matrix (note a)	1,776.43	2,073.66
Others (note b)	4,006.14	4,070.65
Total	5,782.57	6,144.31

Note:

- Clay matrix cost is inclusive of clay mining expenses.
- Others includes chemicals and packing materials etc.
- Excludes ₹ 442.09 lacs (FY 2017-18 ₹ 10,430.87 lacs) relating to discontinued operations.

35 VALUE OF IMPORTS ON C.I.F BASIS

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw material *	661.07	706.75
Stores and spare parts	3.68	29.65
Capital goods	93.95	-
Total	758.70	736.40

* Excludes ₹ Nil (FY 2017-18 ₹ 207.96 lacs) relating to discontinued operations.

36 EARNINGS IN FOREIGN EXCHANGE CALCULATED ON F.O.B. BASIS

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Export of Clay products	2,599.08	2,731.46
	2,599.08	2,731.46

* Excludes ₹ 9.92 lacs (FY 2017-18 ₹ 1,634.92 lacs) relating to discontinued operations.

37 EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Commission	65.65	38.35
Travelling	6.52	19.91
Consultancy	22.52	96.79
Interest	10.45	25.57
Others	4.88	2.09
	110.02	182.71

* Excludes ₹ Nil (FY 2017-18 ₹ 1.56 lacs) relating to discontinued operations.

38.1 PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount (US\$)	Amount (₹ in Lacs)	Amount (US\$)	Amount (₹ in Lacs)
Trade receivables	432,294	294.61	679,453	436.62
Trade payables	(35,836)	(24.42)	(36,335)	(24.01)
Foreign currency loans	-	-	(405,000)	(267.63)
	396,458	270.19	238,118	144.98

38.2 PARTICULARS OF HEDGED FOREIGN CURRENCY EXPOSURE

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount (US\$)	Amount (₹ in Lacs)	Amount (US\$)	Amount (₹ in Lacs)
Forward contracts against Trade receivables	200,000	136.30	600,000	385.56
	200,000	136.30	600,000	385.56

39 INDIGENOUS AND IMPORTED CONSUMPTION

Particulars	Indigenous		Imported		Total
	Value (₹ in Lacs)	%	Value (₹ in Lacs)	%	Value (₹ in Lacs)
Raw material(s) (Note a)					
2018-19	5,001.82	86.50%	780.75	13.50%	5,782.57
2017-18	5,513.60	89.74%	630.71	10.26%	6,144.31
Consumables (Note b)					
2018-19	457.82	99.20%	3.68	0.80%	461.50
2017-18	412.07	93.29%	29.65	6.71%	441.72

a) Excludes ₹ 442.09 lacs (FY 2017-18 ₹ 10,430.87 lacs) relating to discontinued operations.

b) Excludes ₹ 0.54 lacs (FY 2017-18 ₹ 140.70 lacs) relating to discontinued operations.

40 CONTINGENT LIABILITIES AND LITIGATIONS**40.1 COMMITMENTS / CONTINGENT LIABILITIES**

- Estimated amounts of contracts remaining to be executed on capital account (net of advances) ₹ 763.63 lacs (March 31, 2018 : ₹ 25.61 lacs).
- Estimated amount of liability on export obligation remaining to be completed against EPCG scheme and Advance authorisations of ₹ 26.21 lacs (March 31, 2018 : ₹ 33.85 lacs).

40.2 LITIGATIONS

- i) Excise matters:
- Demands aggregating to ₹ 1,073.70 lacs for the year 2000 to 2004 with respect to using of lubricating oil and transformer oil in the plant and machinery used for manufacture of excisable and as well as exempted goods and cenvat credit of service tax, which was subsequently quashed by the Central Excise and Service Tax Appellate Tribunal (CESTAT), referring the matter back for fresh assessment. The Commissioner, Central Excise, Panchkula instead of fresh adjudication, went into appeal before the Hon'ble High Court at Chandigarh which was dismissed by the Hon'ble High Court. The Commissioner, Panchkula filed a Special Leave Petition before the Hon'ble Supreme Court of India, where the matter is pending for adjudication. Consequently amount deposited under protest amounting to ₹ 12.41 lacs have been considered good and recoverable and no provision for the same has been considered necessary. Further, till the time demands are received by the Company amounts of contingent liabilities, if any, is not ascertainable.
 - With respect to classification of maize starch for excise purposes, the Commissioner, Excise raised a demand of ₹ 611.11 lacs, which was set aside by CESTAT. The Commissioner filed an appeal before the Hon'ble Supreme Court of India against the order of CESTAT, where the matter is pending for adjudication.
- ii) With respect to a dispute of lease charges of ₹ 1,204.60 lacs on the lease land at Veli, the Company approached the Hon'ble High Court of Kerala and the Hon'ble High Court has directed the Principal Secretary (Revenue) to make fresh assessment in this matter. The Principal Secretary (Revenue) convened a meeting in March 2017 and heard our explanations and arguments. Final order from Principal Secretary (Revenue) is awaited.

40.3 SHOW CAUSE NOTICE ON CLASSIFICATION OF PRODUCTS

The Company had received a show cause notice on April 09, 2015 from Directorate General of Central Excise Intelligence (DGCEI) dated March 31, 2015 on mis-classification of clay products for which the Company has represented and filed the reply with the authority and a favourable order was passed by the Commissioner of Central Excise and Customs, Trivandrum. Subsequently, the department has filed an appeal against the order of Commissioner, which is currently pending for hearing.

The Department has issued such show cause notices for the subsequent period also and the reply has been filed by the Company giving reference to the disposal of first show cause notice.

41 RESEARCH AND DEVELOPMENT EXPENSES

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Employee benefit expenses	83.78	113.26
Office and other expenses	8.08	16.07

42 PREVIOUS YEAR FIGURES

Previous year figures have been re-grouped/reclassified, wherever necessary to conform the current year classification.

This is the Summary of significant accounting policies and other explanatory information as referred to in our report of even date.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

For and on behalf of the Board of Directors

Sd/-
Suresh Kumar Jain
Executive Director
DIN : 00003500

Sd/-
Joy Kumar Jain
Director
DIN : 06406359

Sd/-
Ashish Gupta (Membership No.: 504662)
Partner

Sd/-
Mahendra Kumar Gupta
Chief Financial Officer

Sd/-
Shalini Chawla
Company Secretary

Place : Gurugram

Date : May 06, 2019

NOTES

A series of horizontal dotted lines for writing notes.



Veli Plant(Kerala)



Thonnakkal Plant(Kerala)

