apcotex

apcotex industries limited

ANNUAL REPORT 2018-19

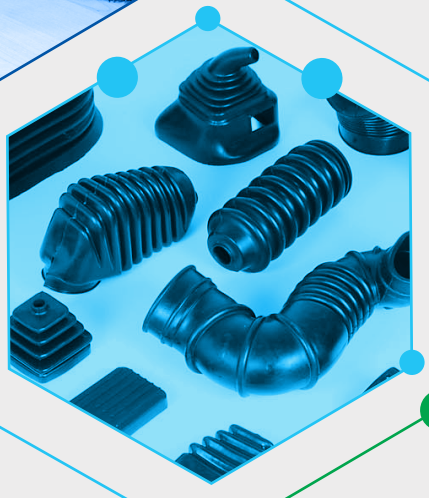












CORPORATE INFORMATION

BOARD OF DIRECTORS

Atul C. Choksey	Chairman
Manubhai G. Patel (upto 18th June 2018)	Director
Girish C. Choksey (upto 28th March 2019)	Director
Dr. S. Sivaram	Director
Shailesh S. Vaidya	Director
Kamlesh Vikamsey	Director
Amit C. Choksey	Director
Priyamvada Bhumkar	Director
Udayan Choksi (w.e.f 27th July 2018)	Director
Abhiraj A. Choksey	Managing Director
Y B Gadgil	Executive Director

COMPANY SECRETARY

Anand V. Kumashi

AUDITOR

S G D G & Associates LLP

BANKERS

State Bank of India
Citi Bank
HDFC Bank

REGISTERED OFFICE

49/52 Mahaveer Centre, Plot no. 77, Sector 17,
Vashi, Navi Mumbai – 400 703.
CIN: L99999MH1986PLC039199
Telephone: (022) 27770800
E-mail – redressal@apcotex.com
Website: www.apcotex.com

PLANT 1

Plot No.3/1, M I D C Industrial Area, P.O. Taloja,
Dist. Raigad 410 208, Maharashtra.
Telephone: (022) 2740 3500 Fax: (022) 2741 2052

PLANT 2

Village - Dungri, Tal- Valia, Ankleshwar- 393135.
Dist- Bharuch, Gujarat.

CORPORATE OFFICE

N. K. Mehta International House, 178,
Backbay Reclamation, Babubhai M. Chinai Marg,
Mumbai- 400 020
Telephone: (022) 2283 8302 / 04
Fax: (022) 2283 8291

AUDIT COMMITTEE

Kamlesh Vikamsey	Chairman
Girish C. Choksey (upto 28th March 2019)	Member
Manubhai G. Patel (upto 18th June 2018)	Member
Priyamvada Bhumkar	Member
Udayan Choksi (w.e.f. 27th July 2018)	Member

NOMINATION & REMUNERATION COMMITTEE

Manubhai G. Patel (upto 18th June 2018)	Member
Dr. S. Sivaram	Chairman
Atul C. Choksey	Member
Kamlesh Vikamsey	Member
Priyamvada Bhumkar (w.e.f. 27th July 2018)	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Shailesh Vaidya (w.e.f. 27th July 2018)	Chairman
Manubhai G. Patel (upto 18th June 2018)	Chairman
Girish C. Choksey (upto 28th March 2019)	Member
Udayan Choksey (w.e.f. 27th July 2018)	Member
Abhiraj Choksey (w.e.f 28th March 2019)	Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Atul C. Choksey	Chairman
Shailesh Vaidya	Member
Abhiraj A. Choksey	Member

REGISTRARS AND SHARE TRANSFER AGENTS

LINK INTIME INDIA PVT LTD.
C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai-
400 083
Tel. No.- 022 49186000, 49186270
Fax – 022 49186060
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in



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COMPANY AT A GLANCE

Apcotex is one of the leading producers of Synthetic Rubber (NBR & HSR) and Synthetic Latex (Nitrile, VP latex, XSB & Acrylic latex) in India. The company has one of the broadest range of Emulsion Polymers available in the market today. The various grades of Synthetic Rubber find application in products such as Automotive Components, Hoses, Gaskets, Rice De-husking Rollers, Printing and Industrial Rollers, Friction Materials, Belting and Footwear. Apcotex's range of Latexes are used for Paper / Paper Board Coating, Carpet Backing, Tyre Cord Dipping, Construction etc.

The company believes in implementing best practices across all departments and adhering to high quality, safety and environmental standards. Its state-of-the-art manufacturing plants are strategically located on the western coast of India. Over the past several years, Apcotex have developed a strong Research & Development base, which has enabled to develop, manufacture and export products and compete effectively against global players. Through its technical service team and well-equipped application laboratory, the company believes in providing value added services to enable customers to constantly improve the quality of their final product. Apcotex has significant global presence and for last few years has done business in all continents and several countries.

Apcotex has been awarded the prestigious "TPM Excellence Award, Category A" and "TPM Consistency Award" by the Japan Institute of Plant Maintenance (JIPM), Japan.

Apcotex, an ISO 9001:2015 certified company, is also certified for ISO 14001:2015 (Environmental Management Systems) and OHSAS 18001:2007 (Occupational Health and Safety Management Systems). Apcotex is a Responsible Care certified company. Apcotex Industries Ltd. is headed by Mr. Atul Choksey, former Managing Director of Asian Paints.

EVOLUTION

1980

Started as a division of Asian Paints. Pioneered the manufacturing of Vinyl Pyridine latex and Carboxylated Styrene-Butadiene latex in India.

1991

Constituted as a Public Limited Company listed on stock exchanges as Apcotex Lattices Limited.

1998

Started High Styrene Rubber production with 10,000 MT p.a. (dry) capacity.

2005

Name changed to Apcotex Industries Limited.

2009

Entered Acrylic Emulsion business to exploit synergies with other products and markets.

2013

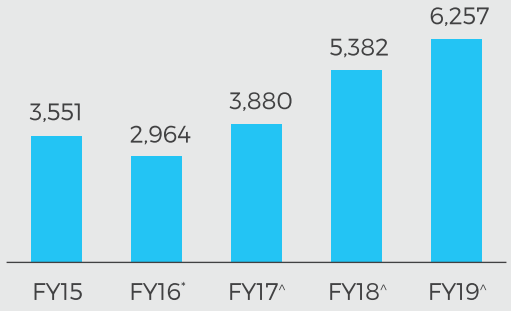
Installed capacity of saleable latex increased at Taloja from 40,000 MT p.a. to 55,000 MT p.a. (wet).

2016

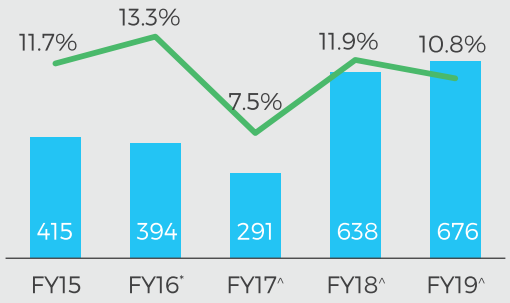
Completed acquisition of Omnova Solutions Indian business of Nitrile Rubber of 16,000 MT p.a. (dry) and High Styrene Rubber to create synergy.

FINANCIAL HIGHLIGHTS

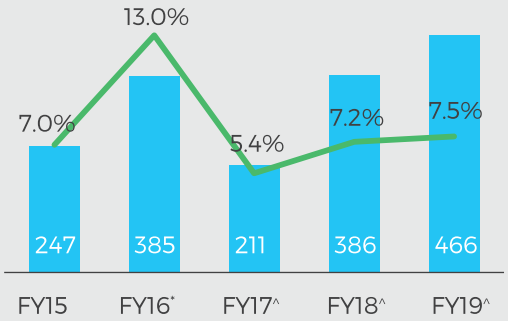
REVENUE (IN MN)



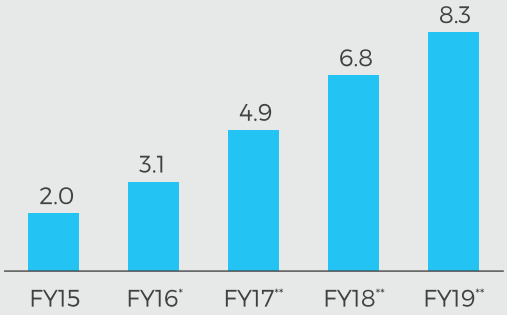
OPERATING EBITDA (INR MN) AND EBITDA MARGIN (%)



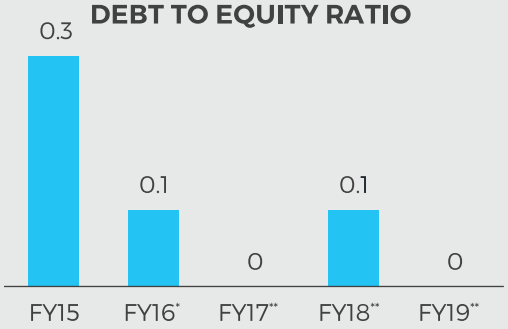
PAT (INR MN) AND PAT MARGIN (%)



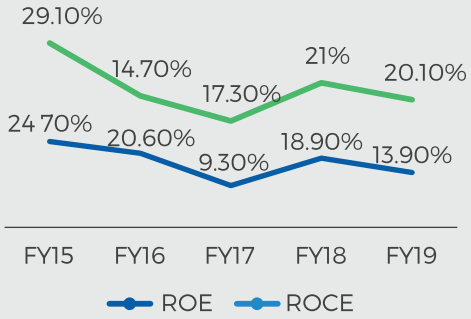
ASSET TURN OVER RATIO



DEBT TO EQUITY RATIO



RETURN RATIOS



*Consolidated

^ As per IndAS and the figures are excluding the recent merger of Saldhar Investment and Trading Company Pvt. Ltd.

** As per IndAS and the figures are including the recent merger of Saldhar Investment and Trading Company Pvt. Ltd.

BOARD OF DIRECTORS

MR. ATUL CHOKSEY
Chairman

He is a Chemical Engineer from Illinois Institute of Technology, Chicago, USA and has more than three decades of experience in managing the affairs of the Company. He is on the board of reputed companies like Ceat.

MR. GIRISH C. CHOKSEY
Director

He has over four decades experience in managing the industries dealing with various types of minerals and chemicals.

DR. S. SIVARAM
Independent Director

He is a M.Sc. From Indian Institute of Technology and has done his PHD from Purdue University, W. Lafayete, USA and Research.

He was the Head of National Chemical Laboratory from 2002-2010.

MR. SHAILESH S. VAIDYA
Independent Director

He is a law graduate from Government Law College and became Solicitor in the year 1983 and has been practicing as Advocate and Solicitor.

He is one of the senior partner at Kanga & Co.

MR. KAMLESH S. VIKAMSEY
Independent Director

He is a Chartered Accountant and a Senior Partner in reputed firm of Khimji Kunverji & Co. He was member of the Central Council of ICAI from 1998 to 2007 and held the post of president in 2005.

MR. AMIT C. CHOKSEY
Director

He is a Bachelor in Commerce and has over 30 years of experience in managing industries manufacturing various types of construction chemicals, specialty water proofing compounds and inorganic pigments.

He is the Chairman of Mazda Colours Pvt. Ltd.

MS. PRIYAMVADA BHUMKAR
Independent Director

She is a graduate in Chemistry and MBA in Finance from Mumbai University having 25 years of rich experience in the field of colour dispersions. She is Managing Director of Soujanya Color Pvt. Ltd., the well-known Indian colorant manufacturing company.

MR. UDAYAN DILIP CHOKSI
Independent Director

He is graduate in Economics from Warwick University and Chartered Accountant and LLB from Mumbai University. He is the Managing Partner of VoxLaw and leads the indirect taxation of the firm. He has an experience of nearly 20 years at Big 4 accounting firms and prominent law firms.

MR. ABHIRAJ CHOKSEY
Managing Director

He is a Bachelor of Science in Economics from Wharton Business School and also Bachelor of Science in Engineering from the Engineering School, both of University of Pennsylvania in U.S.A.

MR. YASHODHAN B GADGIL
Executive Director

He is a Bachelor of Chemical Engineering and has worked with Asian Paints and Apcotex Industries since 1981. Currently he is the Executive Director– Operations and in-charge of production, engineering, projects, supply Chain (till 2015), stores, IR and general Factory administration.







OUR GLOBAL PRESENCE

SOME OF OUR MARQUEE CLIENTS

ITC Limited

bilt

JK PAPER

N R Agarwal Industries Ltd.

Balkrishna Paper Mills

RELAXO

Paragon

Ajanta Since 1956



Pidilite MRF SRF CENTURY ENKA LIMITED Sika GAYATRISHAKTI PAPER & BOARDS LIMITED FOSROC mac MIT MADURA INDUSTRIAL TEXTILES

MANUFACTURING FACILITIES

TALOJA PLANT, MAHARASHTRA
(55,000 MT) Synthetic Latex
(7,000 MT) High Styrene Rubber



VALIA PLANT, GUJARAT
(16,000MT) Nitrile Rubber and Allied Products



R&D AND QUALITY CONTROL

The company has been **continuously upgrading** their technology through in house research & development efforts to meet the changing needs of customers

Currently around 30 employees are dedicated for R&D and technical support.






QUALITY CERTIFICATIONS


NATIONAL SAFETY COUNCIL - MAHARASHTRA CHAPTER

MAHARASHTRA SAFETY AWARDS - 2015

This Certificate of MERIT is presented to APCOTEX INDUSTRIES LTD. TALOJA, RAIGAD for MERITORIOUS PERFORMANCE IN INDUSTRIAL SAFETY DURING THE YEAR - 2015 in MISCELLANEOUS Industrial Group

Mumbai, This Seventeenth Day of September, 2016


INDIA GREEN MANUFACTURING CHALLENGE 2018

International Research Institute for Manufacturing, India

SILVER MEDAL

APCOTEX INDUSTRIES LTD (Taloja Plant)


TÜV NORD

CERTIFICATE

Management system as per ISO 9001 : 2015

In accordance with TÜV NORD CERT procedures, it is hereby certified that

APCOTEX INDUSTRIES LIMITED Plot No. 3/1, MIDC Industrial Area, Taloja - 410 208, Dist. Raigad, Maharashtra, India

applies a management system in line with the above standard for the following scope

Development, Manufacturing and Marketing of Synthetic Latex and Synthetic Rubber

Certificate Registration No. 04 100 000984 Audit Report No. 2.5-02542000 Valid until 14.05.2020 Valid from 05.06.2017 Initial certification 18.05.2000

Certification Body at TÜV NORD CERT GmbH Issue 05.06.2017 Place : Mumbai

This certification was conducted in accordance with the TÜV NORD CERT auditing and certification procedures and is subject to regular surveillance audits.

TÜV NORD CERT GmbH Langemarckstrasse 20 45141 Essen www.tuev-nord-cert.com

TÜV India Pvt. Ltd., 801, Raheja Plaza – 1, L.B.S. Marg, Ghatkopar (W), Mumbai - 400 086, India www.tuv-nord-cert.com/in


TÜV NORD

CERTIFICATE

Management system as per ISO 14001 : 2015

In accordance with TÜV NORD CERT procedures, it is hereby certified that

APCOTEX INDUSTRIES LIMITED Plot No. 3/1, MIDC Industrial Area, Taloja - 410 208, Dist. Raigad, Maharashtra, India

applies a management system in line with the above standard for the following scope

Development, Manufacturing and Marketing of Synthetic Latex and Synthetic Rubber

Certificate Registration No. 44 104 114440 Audit Report No. 2.5-02543000 Valid until 14.05.2020 Valid from 05.06.2017 Initial certification 07.11.2011

Certification Body at TÜV NORD CERT GmbH Issue 05.06.2017 Place : Mumbai

This certification was conducted in accordance with the TÜV NORD CERT auditing and certification procedures and is subject to regular surveillance audits.

TÜV NORD CERT GmbH Langemarckstrasse 20 45141 Essen www.tuev-nord-cert.com

TÜV India Pvt. Ltd., 801, Raheja Plaza – 1, L.B.S. Marg, Ghatkopar (W), Mumbai - 400 086, India www.tuv-nord-cert.com/in


TÜV NORD

CERTIFICATE

Management system as per BS OHSAS 18001 : 2007

In accordance with TÜV NORD CERT procedures, it is hereby certified that

APCOTEX INDUSTRIES LIMITED Plot No. 3/1, MIDC Industrial Area, Taloja - 410 208, Dist. Raigad, Maharashtra, India

applies a management system in line with the above standard for the following scope

Development, Manufacturing and Marketing of Synthetic Latex and Synthetic Rubber

Certificate Registration No. 44 116 111457 Audit Report No. 2.5-02543000 Valid until 14.05.2020 Valid from 05.06.2017 Initial certification 29.11.2011

Certification Body at TÜV NORD CERT GmbH Issue 05.06.2017 Place : Mumbai

This certification was conducted in accordance with the TÜV NORD CERT auditing and certification procedures and is subject to regular surveillance audits.

TÜV NORD CERT GmbH Langemarckstrasse 20 45141 Essen www.tuev-nord-cert.com

TÜV India Pvt. Ltd., 801, Raheja Plaza – 1, L.B.S. Marg, Ghatkopar (W), Mumbai - 400 086, India www.tuv-nord-cert.com/in


TPM

2011 TPM® Awards

Certificate of Approval

This is to certify that

Apcotex Industries Limited

Taloja Plant

has been approved by Japan Institute of Plant Maintenance as the winner of

Award for TPM Excellence, Category A

Approval Date: 6 February 2012

Certificate No.: 11EA005001

Chairman CHISEI ISOGAI

Japan Institute of Plant Maintenance

This approval is based on the result of assessment carried by Confederation of Indian Industry authorized by JIPM as a "TPM Awards Assessment Agency"


TPM

March 22 2012

AWARD FOR TPM EXCELLENCE CATEGORY A - 2011

Apcotex Industries Limited

Taloja Plant

This is to certify that your organization has achieved a most effective production system. Your implementation of TPM activities has brought about remarkable results in productivity, product quality, cost reduction and company culture improvement. We hereby present this AWARD FOR TPM EXCELLENCE, CATEGORY A for Year 2011 in recognition of the efforts and contributions made by those who are concerned and honor your organization's outstanding achievements.

CII Confederation of Indian Industry

Chairman CHISEI ISOGAI

Japan Institute of Plant Maintenance


TPM

AWARD FOR EXCELLENCE IN CONSISTENT TPM COMMITMENT - 2013

Apcotex Industries Limited

Taloja Plant

This is to certify that your organization has achieved a most effective production system. Your implementation of TPM activities has brought about remarkable results in productivity, product quality, cost reduction and company culture improvement.

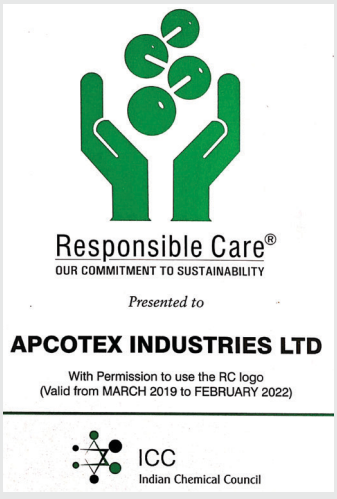
We hereby present this AWARD FOR EXCELLENCE IN CONSISTENT TPM COMMITMENT for Year 2013 in recognition of the efforts and contributions made by those who are concerned and honor your organization's outstanding achievements.

Approval Date: January 28, 2014

Certificate No.: 13CT004001

Chairman OSAMU NAKATANI

Japan Institute of Plant Maintenance


Responsible Care®

OUR COMMITMENT TO SUSTAINABILITY

Presented to

APCOTEX INDUSTRIES LTD

With Permission to use the RC logo (Valid from MARCH 2019 to FEBRUARY 2022)

ICC Indian Chemical Council

PRODUCT MIX

SYNTHETIC LATEX

Synthetic Latex is manufactured from downstream petrochemicals whereas natural latex comes from rubber plantations. There are usually several types of synthetic latex which are manufactured. Our latexes which include Styrene Butadiene latex, VP latex, Styrene Acrylic latex and Nitrile latex cater to various industries like Paper, Carpets, Tyres and Construction. The performance of each synthetic latex differ from industry to industry based on their characteristic, application, and polymer type. Some details are as follows:



PAPER

- Provides excellent wet and dry binding strength; provides high gloss and strength to coated paper



CARPET

- Used in backing of various types of carpets to provide excellent binding strength; depending on application requirements our grades provide a range of soft to hard handles



CONSTRUCTION

- Provides excellent water impermeability; enhances bonding between new and old concrete



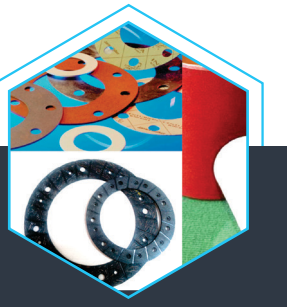
TYRE CORD

- High performance latex for dipping of tyre cords used in bias tyres



GLOVES

- For manufacturing of various range of gloves – examination, surgical and industrial



SPECIALITY

- Used in a range of specialty applications such as gaskets, non-woven fabrics, abrasive paper, textile finishing, cork sheets, etc.

SYNTHETIC RUBBER

Synthetic Rubber is basically an artificial elastometer which are mainly polymers synthesized from petroleum by-products. Your company produces various kinds of Synthetic rubber from cold NBR to hot NBR with different distinctions which are as below



NITRILE RUBBER (NBR)

- This is an unusual type of synthetic rubber which is resistant to oil, fuels and various chemicals. It is used in the automotive industry as well as several other industrial applications to make fuel and oil handling hoses, seals and various rubber products where ordinary rubbers cannot be used



NBR POLYBLEND

- Cost effective medium ACN blend used for general purpose automotive and industrial moulded and extruded products, footwear products etc. for general purpose automotive and industrial goods as well as Fire Hoses



HIGH STYRENE RUBBER

- Provides various degrees of hardness and excellent processibility for Hawaii slippers and Micro-cellular sheets



NBR POWDER

- Used in joining sheets, PVC modification, brake pads, friction materials, adhesives and other rubber applications

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC OVERVIEW

The global economy is projected to expand 2.9% in 2019. For 2020, the global economy is projected to grow 2.9% again. Global economic growth is expected to decelerate this year mostly due to softer dynamics among developed economies, which are approaching the tail-end of their current economic cycles. Nevertheless, the global economy is seen benefiting from tight labour markets, accommodative monetary and policy stimulus in some countries like China.

INDIAN ECONOMIC OVERVIEW

The Indian economy started the fiscal year 2018–19 with a healthy 8.2 percent growth in the first quarter on the back of domestic resilience. Growth eased to 7.3 percent in the subsequent quarter due to rising global volatility, largely from financial volatility, normalized monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Further, the Indian rupee suffered because of the crude price shock, and conditions exacerbated as recovery in some advanced economies caused faster investment outflows. Notwithstanding unforeseen global events or local political surprises, growth for India is estimated to remain upward of 7 percent for the year ahead. These projections could be attributed to the sustained rise in consumption and a gradual revival in investments, especially with a greater focus on infrastructure development.

SYNTHETIC LATEX AND RUBBER INDUSTRY

The global synthetic latex polymers market is highly fragmented with the presence of many regional and global players. The market has witnessed some consolidation as well as a move towards customization of products to cater to the changing consumer requirements in APAC and EMEA regions. Globally, the carpet industry, tyre cords and construction industries drive the growth for synthetic latex. In India, the major driver for development of the synthetic latex polymers industry is the high growth of end-use industries like paper & paper board, paints & coatings, adhesives, water proofing/construction, etc. Another impetus comes from the fact that there are no major substitutes to replace synthetic latex polymers in their functional aspects across various application segments.

Asia Pacific leads production of global synthetic rubber industry with the automobile sector leading the growth. With the rise in population, large manufacturing base of the automobile industry and the availability of competitive labour, India offers great opportunities for rubber product manufacturers. With increasing R&D investments backed by strong infrastructure, the country is poised to become a leader in rubber pros manufacturing in years ahead.

In India, 80% of Nitrile Butadiene Rubber (NBR) is imported, which creates good potential for Indian manufacturers of Nitrile Rubber. The rapid growth of this segment can be attributed to the growing demand for NBR across the automotive and industrial applications in the short and medium term.

CURRENT SCENARIO

Your Company is one of the leading producers of emulsion polymer products namely, Synthetic Latexes (Vinyl Pyridine Latex, Carboxylated Styrene Butadiene Latex, Styrene Acrylic Latex, Nitrile Latex, Carboxylated Nitrile Latex etc.) and Synthetic Rubber (High Styrene Rubber, Nitrile Butadiene Rubber, NBR Powder, and Nitrile Polyblends) in India. The Company has one of the broadest ranges of emulsion polymer products in India and caters to a wide range of industries. Your Company's Synthetic Latex products are used for tyre cord dipping, paper and paperboard coating, carpet backing, concrete modification/water proofing, non-woven, textile finishing, paints, gloves, etc. Various grades of Synthetic Rubber find application in products such as footwear, automotive components, rice rolls, moulded items, v-belts, conveyor belts, hoses, etc.

The Company's major raw materials are petrochemical products and its business could be vulnerable to

high volatility in the prices of crude oil as well as its downstream products.

Over the years, a number of steps have been taken by the management to improve the operational efficiency of the Company in different functions like marketing, human resource development, production process, utilities etc.

OPERATIONS DURING THE FINANCIAL YEAR 2018-19

The Company achieved Gross Value Sales of Rs.633.36Crores during the financial year, compared to Rs.545.38 Crores in the preceding financial year on standalone basis. The company exported its products worth about Rs. 72 Crores during the financial year.

Profits before tax were up by 7.80% to Rs. 61.67 Crores as compared to Rs. 55.78 Cr on standalone basis during the previous year. Operating EBITDA increased by about 6% to Rs...67.58Crores from Rs.63.79 Cr in the previous year during the financial year 2018-19.

Profit after tax stood at about Rs. 46.60 Crores as compared to about Rs. 38.64 Crores on standalone basis, in the previous year.

The Balance Sheet of the Company is also quite healthy with almost no debt, reasonable working capital cycle and cash/liquid investments valued at about Rs. 74 Crores based on NAV as on 31st March 2019.

Your Company's plant at Taloja is recipient of Total Productive Maintenance (TPM) Excellence in Consistent TPM Commitment Award - Category A by the Japan Institute of Plant Maintenance (JIPM). TPM has helped the company significantly in improving efficiencies in the plant and in operations and rationalizing costs. We are in the process of implementing TPM in the Valia plant as well. Both plants have successfully completed certification/re-certification of the integrated ISO 9001, ISO 14001 and OHSAS 18001. In FY 2018-19, your company was recertified by the Indian Chemical Council (ICC) to use the Responsible Care logo.

In FY 2018-19 the company has also successfully implemented SAP S4 Hannah. Having a world class ERP system as the backbone, will provide the platform for growth in the future.

Your Directors consider Company's performance as satisfactory.

RISKS AND CONCERNS

The Company has laid down a well-defined Risk Management Framework covering the risk, risk exposure, potential impact and risk mitigation process. Risks are identified by all process owners which is discussed with the HOD and then taken to the Plant Risk Committee for their Consideration. After evaluation of the Risk by the Plant Risk Committee, same is placed before the Apex Risk Committee. Major risks identified by the plants, functions and senior management are systematically addressed through a quantified risk assessment process and mitigating actions are discussed and reviewed periodically. These are also discussed at the meetings of the Risk Management Apex Committee, Audit Committee and the Board of Directors of the Company.

The Company's Apex Risk Management Committee and Plant Risk Committees, periodically review the risks in the organization, identify new risk areas, develop action plans and monitor and report the compliance and effectiveness of the policy and procedure to the Audit Committee and Board.

The Audit Committee and Board review the risks and suggest steps to be taken to control and mitigate the same through a properly defined framework.

The Company's Board of Directors perceives the following risks as current high risks areas:

1. PROCUREMENT RISKS

Major risks arise from a few key raw materials like Styrene, Acrylonitrile and Butadiene that are used in several of our products. There is an availability risk

associated with all since Styrene and Acrylonitrile are not manufactured in the country and have to be completely imported. Butadiene is currently available from only two manufacturers in the country and the company is exploring import arrangements. If there is an issue with the supply of any of these materials, production of several products would be affected. To mitigate this risk we have relationships with multiple suppliers and keep an adequate inventory and pipeline of these raw materials. We also mitigate this risk by developing alternative suppliers on a continuous basis.

2. ENVIRONMENT, HEALTH AND SAFETY (EHS)

The Company is committed to protecting the environment, and ensuring the health and safety of its employees, customers, neighbours and public. Some of our major raw materials are hazardous and flammable and some safety risks are inherent in the manufacturing processes. The Company has ensured that required process controls, safety equipment's and infrastructure are in place as per statutes and global safety standards. Your company is also certified for ISO 14001, OHSAS 18001 and Responsible Care, which address Environmental, Health and Safety systems and processes. In addition, all the safety measures like safety committee's constant supervision, identification and correction of unsafe acts, periodical drills, risks awareness programs, appropriate treatment of effluents generated, are regularly taken with constant attention from senior levels of management.

Recently National Green Tribunal had levied penalty to non-functional Taloja Central Effluent Treatment Plant (Taloja CETP) which had treated the panic in the industrial belt though many of the companies, including your company are complying with the effluent discharge norms. The management of the Taloja CETP has been taken over by MIDC and MIDC in the process of upgrading the effluent treatment facilities.

The Company has also insured its assets, loss of profits and standing charges for insurable risks. The Company is working towards Zero Liquid Discharge (ZLD) for both the plants.

3. DEPENDENCE ON SINGLE MANUFACTURING FACILITY

While your company has two manufacturing facilities, some of our products can be manufactured only at a single location. Due to incidents such as strikes, political instability, terrorist attacks or natural calamities the operations of the Company may be materially affected. The Company has taken appropriate available insurance covers for some of these eventualities.

4. HSR OBSOLESCENCE

The HSR market has shrunk over a period of time and more or less stagnant since last couple of years which may result into underutilization of the production capacity. Company is looking into export of more HSR products in the overseas market as many of the manufacturing facilities have been shut down and also exploring the alternate use of the production facility for other products.

5. MONOMER TRANSPORTATION

Monomers, particularly Butadiene, which is combustible, hazardous, toxic, flammable is transported through insulated, refrigerated tankers. In case the tankers meets with an accident, while in transit, it may lead to huge fire or explosion resulting into damage of property or human beings in the surrounding area. To overcome this risk, the tankers are inspected / checked on regular basis and transportation is handled by peoples who have basic knowledge about the hazardous nature of material and how to handle the same in case of any emergencies. Your company is planning to enrol for Nicer Global initiatives during the financial year 2019-20.

6. INVESTMENT RISK

Your Company had investment of about Rs. 74 crores, based on Net Assets Value (NAV) as on 31st March 2019. Out of this investment, about 46% is invested in the Debt Funds and rest in Direct Equity or Equity funds. The volatility in the market may adversely affect the Company as the Mark to Market loss / gain, if any, needs to be recognized in the books of accounts under IndAS. To overcome this risk, the Managing Director along with GM – Finance reviews the investments on regular basis and verify the returns etc and present the same before the Board for their consideration every quarter.

7. BUSINESS CONCENTRATION RISK:

About 87% of the Company's business depends on the domestic industry and highly dependent on the domestic market. To overcome this risk, your company had put in place a dedicated team for exports of Company's products to various countries in the world. Your company is also exploring an overseas acquisition. During the last financial year, a speciality latex viz. XNBR was introduced mainly for the export market, which will help to reduce the dependency on the domestic market significantly.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal checks and controls covering operations of the Company are in place and are constantly being improved upon. Adequate system exists to safeguard company's assets through insurance on reinstatement basis and maintenance of proper records. The company has well defined procedures to execute financial transactions.

Internal audit is being conducted by an independent firm of Chartered Accountants. The internal auditor monitors and evaluates the efficiency and adequacy of internal control systems in the organisation, its compliance with operating systems, accounting procedures and policies of the Company. Based on the observations of the internal auditor, the process owners undertake the corrective actions and improvements in their respective areas. Significant audit observations and corrective actions thereupon are presented to the Audit Committee.

The Partners of both, Statutory and Internal Auditor attend all the Audit Committee meetings.

DEVELOPMENT OF HUMAN RESOURCE/ INDUSTRIAL RELATIONS

Your Company believes that its employees are its core strength and accordingly development of people and providing a best-in-class work environment is a key priority for the Organisation to drive business objectives and goals. Robust HR policies are in place which enables building a stronger performance culture and at the same time developing current and future leaders.

Significant change of key financial ratios: There is no significant change in key financial ratios as if compared to the ratios of previous financial year.

SIGNIFICANT CHANGE OF KEY FINANCIAL RATIOS:

There is no significant change in key financial ratios as if compared to the ratios of previous financial year.

CHANGE IN RETURN ON NET WORTH

The return on Networth for the financial year 2018-19 has gone up by about 8% to 17.78% as compared to preceding financial year return of 16.47 on account of increase in the net profit of the Company.

OUTLOOK

The Company expects Financial Year 2019-20 to be an exciting year in spite of new challenges. Sales from the new product range of Carboxylated Nitrile Latex for the hand gloves industry has started in FY 2019-20, and the Company aims to make it one of the future growth drivers for the Company in the future. The Company is also working on the feasibility to expand the capacity of its NBR business. The Company will continue to look for opportunities in new adjacent businesses as well as opportunities for inorganic growth.

In FY 2019-20, the Company will commission the Co-gen Power Plant at its Valia unit as well as complete several other capex projects to bring in more productivity and efficiencies.

There is a continuous thrust from the management to develop a strong R&D and technical service team to develop new products, explore new applications and understand better the changing customer needs.

With the Company's continuous endeavour to improve efficiencies and performance at all levels and functions, your Directors view the prospects for the financial year 2019-20 with cautious optimism.

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include raw material availability and prices, cyclical demand, movements in company's principal markets, changes in Government regulations, tax regimes, economic developments within and outside India and other incidental factors.

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting to you the Thirty Third (33rd) Annual Report of the Company and the Audited Financial Statement for the year ended 31st March 2019.

A. **COMPANY PERFORMANCE**

FINANCIAL HIGHLIGHTS

₹ in lacs

Particulars	31st March 2019	31st March 2018	Growth %
Income from operations			
(a) Revenue from operations	62,566.65	53,824.80	
(b) Other income	769.00	713.41	
Total income from operations (net)	**63,335.65**	**54,538.21**	**16.13**
Gross Profit Before Depreciation, Finance cost & Tax	**7,526.57**	**7,092.17**	
(a) Finance costs	180.30	156.98	
(b) Depreciation & amortization expense	1,179.26	1,214.24	
Profit before tax	**6,167.01**	**5,720.95**	**7.80**
Add/(Less) Exceptional Items	**-**	**(143.40)**	
Profit after Exceptional items	**6,167.01**	**5,577.55**	
Tax expenses	1,506.53	1,713.91	
Profit after Tax	**4,660.48**	**3,863.64**	**20.62**
Other Comprehensive Income for the year	(23.92)	(29.60)	
Total Comprehensive Income for the year	**4,636.56**	**3,834.04**	
Earnings per Share (EPS)			
(a) Basic	**22.47**	18.63	**20.61**
(b) Diluted	**22.47**	18.63	**20.61**

DIVIDEND

Based on the Company's performance, your Directors are pleased to recommend for approval of the members a dividend @ ₹ **7.50/-** (Rupees Seven and Fifty Paise) (Previous year ₹ 6/- (Rupees Six) per Equity Share of ₹. 5/- each for the financial year 2018-19. Dividend, if approved, will absorb a sum of ₹ 1875.06 lacs (including Dividend Distribution Tax of ₹ 319.71 lacs) out of the net profits after tax, as above and will be paid to those shareholders whose names appear on the Register of Members on **Friday**, **24th May 2019.**

TRANSFER TO RESERVE

There is no amount proposed to be transferred to Reserves out of profit of the financial year 2018-19.

OPERATIONS DURING THE FINANCIAL YEAR 2018-19.

The Company achieved total revenue of ₹ 633.36 Crores during the financial year, compared to ₹ 545.38 Crores in the preceding financial year on standalone basis. The company exported its products worth about ₹ 72.00 Crores during the financial year.

Profits before tax were up by 7.80% to ₹ 61.67 Crores as compared to ₹ 55.78 Crores on standalone basis during the previous year. Operating EBITDA increased by about 6% to ₹ 67.58 Crores from ₹ 63.79 Crores in the previous year during the financial year 2018-19.

Profit after tax stood at ₹ 46.60 Crores, 20.62% increased as compared to about ₹ 38.64 Crores on standalone basis, in the previous year.

The Balance Sheet of the Company is also quite healthy with almost no debt, reasonable working capital cycle and cash/liquid investments valued at about ₹ 74 Crores based on NAV as on 31st March 2019.

Your Company's plant at Taloja is recipient of Total Productive Maintenance (TPM) Excellence in Consistent TPM Commitment Award - Category A by the Japan Institute of Plant Maintenance (JIPM). TPM has helped the company significantly in improving efficiencies in the plant and in operations and rationalizing costs. We are in the process of implementing TPM in the Valia plant as well. Both plants have successfully completed certification/re-certification of the integrated ISO 9001, ISO 14001 and OHSAS 18001. In FY 2018-19, your company was recertified by the Indian Chemical Council (ICC) to use the Responsible Care logo.

In FY 2018-19 the company has also successfully implemented SAP S/4 HANA. Having a world class ERP system as the backbone, will provide the platform for growth in the future.

Your Directors consider Company's performance as satisfactory.

B. **RENEEWABLE ENERGY**

The Wind Turbine Generator installed at Sadawaghapur, Taluka – Patan, District Satara, Maharashtra, has generated gross revenue of about ₹133 lacs during the financial year (previous year ₹113 lacs), and same is netted-off against the power cost.

C. **DISCLOSURES UNDER COMPANIES ACT, 2013**

I. **ENERGY, TECHNOLOGY & FOREIGN EXCHANGE**

Information sought under the provisions of Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the **Annexure I**, forming part of this report.

II. **ANNUAL RETURN**

The Annual Return of the Company has been placed on the website of the Company and can be accessed at https://www.apcotex.com/financial.asp?fn=annualreturn return

III. **CHANGES IN THE SHARE CAPITAL**

The paid-up Equity Share Capital as on 31st March 2019 was ₹10.37 crores, comprising of 2,07,37,984 equity shares of ₹ 5/- each

The amount lying in share forfeiture account, on account of forfeiture of 78,051 equity shares due to non-payment of allotment money which was forfeited during January 2000, had bean transferred to capital reserve account.

Sub-division (split) of equity shares

The Board of Directors in their meeting held on 25th April 2019 have considered it desirable to sub-divide (split the face value) of the existing nominal value of the equity shares of the Company from the present ₹5/- each paid-up per equity share into equity shares of ₹2/- each fully paid-up

Stock split will help to improve the liquidity of the Company's shares in the market, without increasing the Company's equity servicing burden, as overall equity capital remains the same. This is in line with your Company's philosophy of creating value for its shareholders and sharing the benefits of growth on a sustained basis.

IV. **FINANCIAL LIQUIDITY**

Cash and Cash equivalent (Excess Liquidity Invested) as at 31st March 2019 was about ₹74 crores (previous year ₹75 crores).

The Company's working capital management is robust and involves a well-organized process which facilitates continuous monitoring and control over receivables, inventories and other parameters.

V. **NUMBER OF BOARD MEETINGS**

The Board meets at regular intervals to discuss and decide on the Company / business policy and strategy apart from other Board business. During the financial year under review, the Board of Directors met 5 (five) times. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

The details of the Board meetings and the attendance of Directors are provided in the Corporate Governance Report.

VI. **COMPOSITION OF AUDIT COMMITTEE**

The Audit Committee comprises of Mr. Kamlesh Vikamsey who is the Chairman of the Committee, Mrs. Priyamvada Bhumkar and Mr. Udayan Choksi, who was appointed w.e.f 27th July 2018, are the Non-Executive Independent Directors. Mr. M G Patel Independent Director and Member of the Audit Committee, resigned w.e.f 18th June 2018. Mr. Girish Choksey – Non-Executive Director and member of Audit Committee, resigned w.e.f 28th March 2019. More details on the committee are given in the Corporate Governance Report.

All the recommendations of the audit committee are accepted by the Board.

VII. **BOARD INDEPENDENCE**

The definition of Independence of Directors is derived from Regulation 16 of SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation/ disclosures received from the Independent Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Regulation 16 of SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013;

1. Dr. S. Sivaram
2. Mr. Shailesh Vaidya
3. Mr. Kamlesh Vikamsey
4. Mrs. Priyamvada Bhumkar
5. Mr. Udayan Choksi

In compliance with Schedule IV of the Companies Act, 2013 and Rules thereunder, the Independent Directors met on 28th March 2019 and discussed issues as prescribed under the schedule IV of the Companies Act, 2013 and also discussed various other issues.

VIII. **ANNUAL EVALUATION BY THE BOARD**

In compliance with the Companies Act, 2013 and Regulation 19 read with Schedule II of SEBI (LODR), Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Nomination & Remuneration Committee members, covering various aspects of the Board's functioning such as adequacy of composition of Board and Committees, Board communication, timeliness and unbiased information of right length and quality of information, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as attendance and participation in the discussion and deliberation at the meeting, understanding role and responsibilities as board member, demonstration of knowledge, skill and experience that make him/her a valuable resource for the board.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Executive Directors was carried out by

the Independent Directors, who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

IX. NOMINATION AND REMUNERATION POLICY (NRP)

The NRP of the Company for Directors, Key Managerial Personnel (KMP) and Senior Management Personnel was revised by Board of Directors at their meeting held on 28th March 2019, based on recommendation of Nomination and Remuneration Committee and the same is hosted on the website of the company at the following web link: https://www.apcotex.com/policy/Nomination%20and%20Remuneration%20Policy%202019.pdf

Disclosure pertaining to remuneration and other details as required under section 197 (12) of the act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure II** to this Report.

X. COMMENTS ON AUDITORS REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. SGDG & Associates LLP, Chartered Accountant, Statutory Auditor, in their report and by Mr. Mahesh Hurgat, Company Secretary in Practice, in his Secretarial Audit report.

The Statutory Auditor have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

KEY AUDIT MATTER

Enhancement of Company's ERP System - SAP

Company had implemented Microsoft DYNAMICS NAV Ver 2004 ERP from April 2008 and subsequently upgraded it to Ver – 2013- R2. During the year, Company has changed its ERP System to SAP S/4 HANA 1709 to improve productivity, increase efficiencies, decrease costs and streamline its processes code named as Project Udaan, it went live on 1st December 2018. The said conversion/ migration was necessitated in order to derive the benefits of SAP – Global Leader in Enterprise Resource Planning Software. As on date company has implemented the FICO, SD, MM, PP, QM, PM, EXIM, PS and TRM modules. Company is also evaluating the adoption of other modules like HRMS, CRM, BI based on its cost effectiveness

SAP ERP implementation was done in consultation with an authorized implementation partner having proven industry experience. The implementation process in general involved the following phases –

- Project Preparation and Business Blueprint Finalization
- System Prototype and Configuration
- Train the Staff and Test Run the Software
- Test run the ERP System - create reporting templates, Test and assess the desired results and run more targeted training sessions for the staff.
- Finally, conduct readiness assessments of the ERP as an integrated business platform and Go Live.
- Post Go Live Support.

Top Benefits which the management expects to achieve on the implementation of ERP and its optimum utilization are as under

a. Staying competitive in latest technology solutions available in the ERP environment and easy scalability to facilitate growth.

b. User friendly, flexible and effective forecasting, budgeting and reporting solutions.

c. Integrated Information System and Data Security

d. Centralized data processing and report generation

e. Automate Business Operations and Controls using the in-built authorization matrix.

f. Streamlining processes and Cost effective.

g. Introducing Mobility and Flexibility with mobile friendly solutions.

XI. RELATED PARTY TRANSACTIONS

All the related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. There are no materially significant related party transactions entered into by the Company with Promoters, Directors or KMP etc., which may have potential conflict with the interest of the company at large.

All new related party transactions are first approved by the Audit Committee and thereafter placed before the Board for their consideration and approval. A statement of all related party transactions is presented before the Audit Committee meeting on quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The particulars of Contracts or arrangements with related parties referred to in Section 188(1), read with Rule 15 of The Companies (Meetings of Board and Its Powers) Rules 2014 is appended to this report in prescribed Form AOC 2 as **Annexure III**.

The Related Party Transaction Policy as approved by the Board is uploaded on the company's website at the following web link http://www.apcotex.com/policy/Related_Party_Transaction_Policy.pdf

XII. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

XIII. **VIGIL MECHANISM**

The Company has established a vigil mechanism for Directors and Employees to report their genuine concerns in compliance with provision of section 177 (10) of Companies Act 2013 and Regulation 22 of SEBI (LODR) 2015.

The Audit Committee of the board oversees the functioning of this policy. Protected disclosures can be made by a whistle blower through several channels to report actual or suspected frauds and violation of Company's Code of Conduct and/or Ethics Policy.

The details of the policy have been disclosed on the Company's website at https://apcotex.com/policy/Whistle_Blower_Policy.pdf

XIV. **CORPORATE GOVERNANCE**

The Company has always strived to adopt appropriate standards for good Corporate Governance.

Detailed report on the Corporate Governance and Management Discussion Analysis, form part of this report. A certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of SEBI (LODR) Regulations, 2015 is annexed to the said Report.

D. **CORPORATE SOCIAL RESPONSIBILITY**

The Company has constituted a Corporate Social Responsibility (CSR) Committee in compliance with Section 135 of the Companies Act, 2013. On the recommendation of the CSR committee, the Board has approved the CSR policy of the Company which is published on the Company's website.

All CSR activities of the Company are carried through Non-Government Organizations, who have track record of minimum of 3 years in carrying out the activities, and other criterials as prescribed under Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, as amended from time to time.

The Company has undertaken projects in the areas of Healthcare and Education, around the area surrounding the factory/corporate office, brief details of which are as under:.

The Company had spent ₹81.51 lacs during the financial year 2018-19, the details of spent are as under;

Healthcare	29.65
Education	51.86

Health Care:

To improve the health condition of the people, the Company carried out the various CSR activities directly and through some NGO's:

The company is working with St. Jude Child Care Centre and has sponsored all the running expenses of one centre located at Cotton Green, Mumbai

St. Jude provides food, accommodation and medicines to cancer affected children upto 12 year of age and their parents from poor families, who travels to Mumbai for treatment of their cancer affected childrens at Tata Memorail Hospital. It currently runs 22 Centres in Mumbai, Delhi, Kolkata, Hyderabad and Jaipur.



The Company conducted camps at Village Dungri, Taluka Valia for full Health Checkup and Eye Checkup of the village community and provided the required medicines and spectacles to the needy people. The Company had organized for operation of the people who were detected with cataract.

Deepak Foundation is a CSR foundation of Deepak group, which was established during 1982 for empowering the women by providing healthcare and livelihood opportunities in order to improve maternal and child health, reduce poverty, build capacity in the area of public health and livelihood promotions.





The Company is also working with Cancer Patient Aid Association for distributing the required medicines for Cancer affected childrens free of cost.

For well-being, safety and hygiene of the students, the Company provided a borewell for regular supply of the water to the childrens, for upkeep of the premises including the toilet block at Village Chindhran and provided a toilet block at the school loated at Village Chinchavali.





Education:

To improve the employability of the people, the Company is providing the scholarship to needy students from the poor family to fulfill the aspiration of the deserving children. During the financial year 2018-19, the Company has sponsored the deserving students from the poor family for the following courses:

Sr. No.	No. of Student	Total Course Fee	Course
1	148	2,213,000	BE,B TECH - Civil, Chemical, IT, ET
2	156	1,248,000	Pharmacy - B. Pharm
3	48	720,000	Nursing - B.Sc.
4	32	480,000	Post Graduate - (M. Pharm., M. Sc. Nursing, M.E., M. Tech., Ph.D., Journalism)
5	43	344,000	Blind - B. ED, D. ED.
	427	**5,005,000**	

The details as required under Section 135 of the Companies Act, 2013 are provided in CSR Report which is annexed herewith as Annexure IV.

E. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The company conducts the Familiarisation program when new Director(s) is/are appointed during the year. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarize them with the process, business and functionaries of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the Familiarisation Program has been disclosed on the website of the Company at https://www.apcotex.com/policy/Familiarisation%20Programme%20for%20Independent%20Directors%202018-19.pdf

F. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Board of Directors has adopted revised Insider Trading Policy in their meeting held on 28th March 2019 in compliance with the requirement of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. The insider trading policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with the shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of deals by designated person/employees and maintain the highest ethical standards of dealing in Company securities

G. INTERNAL FINANCIAL CONTROLS

The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures. These are reviewed periodically and made part of work instructions or process in the company.

The Company periodically conducts physical verification of inventory, fixed assets and cash on hand and matches them with the books of account. Explanations are sought for any variance noticed from the respective functional heads.

H. DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm:

I. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

II. That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

III. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

IV. That they have prepared the annual accounts on a going concern basis;

V. That they, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

VI. That they have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

VII. That the Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

I. DISCLOSURE IN TERMS OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

All women who are associated with the Company either as permanent employees or temporary employees or contractual persons including service providers at the Company sites are covered under the above policy.

The Company takes all necessary measures to ensure a harassment free workplace and has instituted an Internal Complaints Committee for redressal of complaints and to prevent sexual harassment. No complaints relating to sexual harassment were received during the year.

J. FIXED DEPOSITS MATURED BUT NOT CLAIMED

Company has no Fixed Deposits at the end of the financial year. The Central Bureau of Investigation (CBI) has instructed the Company, not to repay the proceeds of four fixed deposits amounting to ₹ 48,000/- and accrued interest of ₹ 22,491/- thereon. These deposits matured during the first week of December 2002 and continue to remain with the Company.

K. INSURANCE

All insurable assets of the Company including inventories, buildings, plant and machinery etc., as well as the liability under legislative enactments, are insured on reinstatement basis after due valuation of assets by an external agency. The Company also holds a Loss of Profit Policy for the financial year 2019-20.

L. ECOLOGY AND SAFETY

Company ensures safe, healthy and eco-friendly environment at its plant and surrounding area. Company continually works towards identification and reduction of risks and prevention of pollution at its plant and its surroundings.

Members of the Safety Committees of the Company's Taloja Plant and Valia Plant, have been regularly reviewing the safety measures and their implementation to ensure adequate safety in material handling and processing, control of pollution caused by liquid effluents, dust and emissions from chimney etc. Samples are periodically drawn and the reports submitted to the Pollution Control Board indicating compliance with the standards.

Consent has been obtained from Maharashtra Pollution Control Board to operate the Plant at Taloja till 30th March 2021 and from Gujarat Pollution Control board to operate the Plant at Valia, Ankleshwar till 9th November 2019.

M. PERSONNEL

The information required under Section 197 of the Companies Act, 2013 and read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, are given in **Annexure II.**

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) & (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, in respect of employees of your company is available for inspection by the members at registered office of the company during business hour on working days up to the date of the ensuing AGM. If any member is interested in obtaining a copy thereof, such member may write to the company secretary, whereupon a copy would be sent.

N. DIRECTORS & KEY MANAGERIAL PERSONNEL

Appointment:

1. **Mr. Udayan Choksi** was appointed as an additional director of the Company by Board of Directors at their meeting held on 27th July 2018. He would therefore hold office upto the conclusion of the ensuing AGM. Mr. Udayan Choksi qualifies to be an Independent Director and his appointment has been recommended by the Nomination and Remuneration Committee. Accordingly, it is proposed to appoint Mr. Udayan Choksi as an Independent Director for a first term of five consecutive years to hold the office from the conclusion of 33rd AGM and up to the conclusion of the 38th AGM of the Company in the calendar year 2024. Pursuant to declaration made under Section 149 of the Companies Act, 2013, Mr. Udayan Choksi meets all the criteria of Independence, as prescribed under the Companies Act, 2013 and applicable regulations of SEBI (LODR) Regulations, 2015. He possess the appropriate skills, experience and knowledge inter alia in the field of accounts, finance, taxation etc.

2. **Mr. Abhiraj Choksey** was appointed as Managing Director of the Company by Board of Directors at their meeting held on 16th May 2016 for a term of 3 years effective from 1st May 2016 and the shareholders were approved the appointment of Mr. Abhiraj Choksey on 10th August 2016. The term of Mr. Abhiraj Choksey will end on 30th April 2019.

   The Board of Directors at their meeting held on 28th March 2019 decided to re-appoint Mr. Abhiraj Choksey as Managing Director of the Company, for a further period of 3 years, effective from 1st May 2019 on the recommendation of Nomination and Remuneration Committee.

3. **Mr. Y B Gadgil** was appointed as an Executive Director of the Company by Board of Directors at their meeting held on 6th February 2016 for a term of 3 years effective from 6th February 2016 and the shareholders were approved the appointment of Mr. YB Gadgil on 10th August 2016. The term of Mr. YB Gadgil was expired on 5th February 2019.

The Board of Directors at their meeting held on 28th March 2019 decided to re-appoint Mr. Y B Gadgil, as an "Executive Director" of the Company, for a period with effect from 6th February 2019 to 31st March 2020 on the recommendation of Nomination and Remuneration Committee

4. **Dr. S Sivaram, Mr. Kamlesh Vikamsey, and Mr. Shailesh Vaidya** were appointed as an Independent Directors in the 28th AGM of the Company held on 31st July 2014 for a term of 5 years and their term ends at the conclusion of 33rd AGM (to be held on 4th June 2019) of the Company in the calendar year 2019.

   They are eligible for re-appointment for another term of five consecutive years subject to approval of the Members by Special Resolution. All the above named Independent Directors have consented to their re-appointment and confirmed that they are not disqualified from being appointed as an Independent Director in terms of Section 164 of the Companies Act, 2013.

   Based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee and the Board of Directors of the Company at their Meetings held on 28th March 2019 have recommended the re-appointment of the aforesaid persons as an Independent Directors for a second term of five consecutive years effective from conclusion of 33rd AGM to be held during June 2019 up to the conclusion of 38th AGM during the year 2024. During their tenure of appointment, they shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

5. **Mr. Suraj Badale** was appointed as Chief Financial Officer (CFO) of the Company in compliance with provisions of Section 203 of the Companies Act, 2013, with effect from 1st April 2019, in the Board meeting held on 28th March 2019 on the recommendation of the Audit Committee.

Retirement by Rotation:

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and Articles of Association of the Company Mr. Atul Choksey (DIN 00002102) will retire by rotation at the ensuing AGM of the Company and being eligible, offer himself for reappointment. The Board recommends his reappointment.

Cessation:

1. **Mr. M. G Patel**, the independent director of the company, resigned from the office of Director with effect from 18th June 2018 after serving the board for a period of about 27 years. Your Directors wish to place on record their appreciation for his service and contribution made during his tenure as an independent director.
2. **Mr. Girish Choksey**, the Non-Executive Director of the company, resigned from the office of Director with effect from 28th March 2019 after serving the board for a period of about 26 years. Your Directors wish to place on record their appreciation for his service and contribution made during his tenure as a director.
3. **Mr. Rohit Mahakal**, who was appointed as CFO of the Company with effect from 1st April 2015, was resigned from the post of CFO on 31st October 2018 and the Board of Directors at its meeting held on 1st November 2018 has accepted the resignation of Rohit Mahakal, CFO of the Company. He was relieved from the service of the Company on 31st December 2018.

Note that the background of the Director(s) proposed for appointment / re-appointment is given as annexure to the Notice, which forms part of this Annual Report.

O. **AUDITORS**

Statutory Auditor

M/s. SGDG & Associates LLP, Chartered Accountants (Firm Registration No W100188) were appointed as Statutory Auditor of the Company for a period of five consecutive years at the 32nd AGM of the Company held on 27th July 2018 to hold office from the conclusion of the said Meeting till the conclusion of the 37th AGM to be held in the year 2023.

The requirement of seeking ratification of the members for continuance of their appointment has been withdrawn consequent upon the changes made by the Companies (Amendment) Act, 2017 with effect from 7th May 2018. Hence, the resolution seeking ratification of the members for their appointment is not being placed at the ensuing AGM.

The Statutory Auditor has given a confirmation to the effect that they are eligible to continue with their appointment and have not been disqualified in any manner from continuing as Statutory Auditor. The remuneration payable to the Statutory Auditor shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

Cost Auditor

M/s. V J Talati & Co., Cost Accountants have been appointed as Cost Auditor of the Company for the year 2018-19 and 2019-20 under Section 148 of the Act read with The Companies (Cost Records and Audit) Amendment Rules 2014. M/s. V J Talati & Co, have confirmed that they are free from any disqualifications as specified under the Companies Act, 2013.

The remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, Resolution seeking Members' ratification for the remuneration payable to M/s. V J Talati & Co, Cost Auditor is included at item No.14 of the Notice convening the Annual General Meeting.

Secretarial Auditor

Mr. Mahesh Hurgat, Company Secretaries in Practice, has been appointed to conduct the Secretarial Audit of the Company pursuant to the provisions of Section 204 of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the SEBI (LODR) Regulations, 2015 as amended. The Report of the Secretarial Auditor is appended to this Report as **Annexure V**.

P. **CEO & CFO CERTIFICATION**

Certificate from Managing Director and Chief Financial Officer of the Company, pursuant to the Regulation 17 of SEBI (LODR) Regulations, 2015, for the financial year 2018-19 under review was placed before the Board of Directors of the Company at its meeting held on 25th April 2019.

Q. **SECRETARIAL STANDARD**

The Company complies with all applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013 for the financial year ended 31st March 2019.

R. **INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to the applicable provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the Rules), as amended from time to time, all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after completion of seven years. Further, according to the Rules, the shares on which dividend had remained unpaid or unclaimed by the shareholders for seven consecutive years or more are also be transferred to the demat account of the IEPF Authority. Accordingly, the Company has transferred the unclaimed dividend of ₹ 578,424 for the year 2010-11 during August 2018. Considering 2010-11 as base year, the Company has transferred 32232 Shares, on which the dividend was unclaimed for 7 consecutive years, to demat account of IEPF's authority, in compliance with IEPF Rules during the financial year 2018-19.

The Company had communicated individually to 237 Shareholders taking a base year of 2011-12 on 20th March 2019, whose shares are liable to be transferred to IEPF Authority during the financial year 2019-20.

The Company has uploaded full details of such shareholders and shares due for transfer to IEPF Authority on its website at www.apcotex.com. Shareholders are requested to refer to the web-link https://www.apcotex.com/financial.asp?fn=SU to verify the details of unclaimed dividends and the shares liable to be transferred to IEPF Authority.

T. **ACKNOWLEDGEMENT**

Your Directors take this opportunity to express their deep sense of gratitude to State Bank of India, Citi Bank, HDFC Bank, various departments of State / Central Government and local authorities for their continued guidance and support.

We would also like to place on record our sincere appreciation for the commitment, dedication and hard work put in by every member of the Apcotex family. To all shareholders, we are deeply grateful for the confidence and faith that you have always reposed in us.

The accompanying **Annexure I to V** is an integral part of this Director Report.

FOR AND ON BEHALF OF THE BOARD

ATUL C CHOKSEY
CHAIRMAN
DIN: 00002102

Mumbai: **25th April 2019**

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ANNEXURE I TO DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC:

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy:	Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in batch cycle time and improved operations.
(B) Technology absorption:	No new technology has been acquired during the year. Up gradation of present technology is a continuous process, implemented and adapted by the Company through innovation. Efforts are made to reduce batch cycle time and improve operational efficiency. No technology import has been made in the recent past.

Expenditure incurred on R& D during the Financial Year are as follows:

(₹ in lacs)

Particulars	**2018-19**	2017-18
Capital	**23.69**	50.99
Recurring	**335.77**	298.79
Total	**359.46**	349.78
Total R & D expenditure as a percentage of Total Revenue	**0.56%**	0.67%

(C) Foreign Exchange Earnings and Outgo	The Company is currently assessing export potential for its products in various markets. Details of foreign exchange earnings and outgo are given below:

Earning in foreign currency

(₹ in Lacs)

Particulars	**31st March 2019**	31st March 2018
Export of Goods on F.O.B. basis	**7090.36**	7521.69

Expenditure in Foreign Currency

(₹ in Lacs)

Particulars	**31st March 2019**	31st March 2018
Professional Fees (including reimbursement)	**71.31**	53.30
Foreign Travel	**14.98**	143.07
Sales Commission	**40.68**	61.75
Others	**21.24**	12.50

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ANNEXURE II TO DIRECTORS' REPORT

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

Sr. No.	Disclosure Requirement	Disclosure details			
1	The percentage increase in remuneration of each Director, Company Secretary and Chief Financial Officer during the financial year 2018-19, ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018-19.	Directors / KMP	Title	Ratio	% increase in remuneration
		Atul Choksey	Non-Executive Chairman	10.59	18.00
		Abhiraj Choksey	Managing Director	21.93	12.04
		Girish Choksey*	Non-Executive Director	0.13	(25.00)
		Amit Choksey	Non-Executive Director	0.15	16.67
		Manubhai Patel**	Non-Executive Director	NIL	NIL
		Dr. S. Sivaram	Non-Executive Director	1.01	14.63
		Shailesh Vaidya	Non-Executive Director	0.95	18.92
		Kamlesh Vikamsey	Non-Executive Director	1.22	15.31
		Priyamvada Bhumkar	Non-Executive Director	1.06	58.06
		Udayan Choksi***	Non-Executive Director	0.76	NA
		Y B Gadgil	Executive Director	9.00	13.29
		Anand Kumashi	Company Secretary	N.A	8.12
		Rohit Mahakal****	Chief Financial Officer	N.A	N.A
2	Percentage increase in the median remuneration of employees in the financial year	5.74%; considering employees who were in employment for the whole of FY 2017-18 and FY 2018-19.			
3	Number of permanent employees on the rolls of Company at the end of the year	445			
4	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	For employees other than managerial personnel who were in employment for the whole of FY 2017-18 and FY 2018-19 the average increase is 8.16%. Average increase for managerial personnel is 13.05%.			
5	Affirmation that the remuneration is as per the remuneration policy of the Company.	The Company is in Compliance with its Remuneration policy.			

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* Girish Choksey resigned w.e.f 28th March 2019

** Manubhai Patel resigned w.e.f 18th June 2018

*** Udayan Choksi appointed w.e.f 27th July 2018

**** Rohit Mahakal resigned w.e.f 31st December 2018

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

1

Name	Mr. Abhiraj Choksey
Age	41 years
Qualification	Bachelor of Science in Economics from Wharton Business School and Bachelor of Science in Engineering from the Engineering School, both of University of Pennsylvania in U.S.A
Designation	Managing Director
Date of Commencement of Employment	1st May 2005
Experience	18 years
Remuneration	101.70 lacs
Previous Employment	Apcosoft Pvt., Ltd
Designation	Managing Director
Shares held	13.07%

2

Name	Mr. Y B Gadgil
Age	59 years
Qualification	Bachelor of Chemical Engineering
Designation	Executive Director
Date of Commencement of Employment	1981
Experience	38 years
Remuneration	41.71 lacs
Previous Employment	Asian Paints Ltd
Designation	Production, Engineering Services and Projects, Plant Manager in- charge of Production and Projects etc
Shares held	0.01%

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ANNEXURE III TO DIRECTORS' REPORT

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	B	C	D	E	F	G	H
Sr. no.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Not Applicable								

2	Details of material contracts or arrangement or transactions at arm's length basis					
	A	B	C	D	E	F
Sr. No	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the Contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any
1	Apco Entereprises LLP Common Partner / Director(s).	Leasing of premises	5 years 01/10/2014 to 30/09/2019	Lease Rent @ ₹ 55,000/- p.m + all direct expenses	31-10-14	7,02,000
2	Parul Choksey	Leasing of premises	on going	All direct expenses	25-05-09	N.A.
3	Choksey Chemicals Pvt Ltd Common Director(s).	Sale of Goods at prevailing market Price.	on going	Sale of Goods at prevailing market price.	31-10-13	N.A.

ANNEXURE IV TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES		
1	A brief outline of the Company's CSR Policy, including overview of the Projects or Programs Proposed to be undertaken and a reference to the web-link to the CSR Policy and the Projects or Programs.	The Company has framed the CSR Policy in compliance with the provisions of the Companies Act, 2013 read with the Companies (Social Responsibilities) Rules 2014 and same is placed on the Company's website and web-link of same is http://apcotex.com/CSRP.pdf
		The company has undertaken activities in the area of Healthcare, Education and Social Projects in the Plant area / Corporate Office through:
		a. Shri Brihad Bharatiya Samaj - Mumbai
		b. St. Jude - Mumbai
		c. Cancer Patients Aid Association
		d. Raigad District Council School Chinchavali - Maharashtra
		e. Sudhagad Education Society Secondary School Chindhran - Maharashtra
		f. Deepak Foundation – Valia Gujarat
2	The composition of CSR Committee	Mr. Atul Choksey – Chairman (Chairman of the Company)
		Mr. Shailesh Vaidya – Member (Independent Director)
		Mr. Abhiraj Choksey – Member (Managing Director)
3	Average net profit of the Company for last three financial years	₹ 3,726.22 lacs.
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 74.51 lacs
5	Details of CSR spend for the financial year:	
	a. Total amount spent for the financial year	₹ 81.51 lacs
	b. Amount unspent, if any.	NIL
	c. Manner in which the amount spent during the financial year is detailed below:	

(₹ in lacs)

Sr. No.	Projects / Activities	Sector	Locations (District & State)	Amount Outlay (Budget) Project or Programwise	Amount Spent on the Project or Program	Cumulative Expenditure upto Report period	Amount Spent : Direct or through implementing Agency.
1	Providing for award of scholarship to students from poor families for pursuing the various Graduate and Post Graduate Courses	Education	Mumbai, Maharashtra	44.00	50.00	50.00	Shri Brihad Bharatiya Samaj
2	Providing shelter, food and medicines to cancer affected children and their parents from poor family - Total committed budgeted amount over a period of 5 yers is ₹ 108 lacs against which company had spent ₹ 84 lacs till 31st march 2019	Healthcare	Mumbai, Maharashtra	25.00	25.00	25.00	St. Jude India Childcare Centre.
3	Provides medicines to deserving family affected by cancer.	Healthcare	Mumbai, Maharashtra	1.00	1.00	1.00	Cancer Patients Aid Association
4	Constructed Toilet Block in the Raigad District Council School, Chinchavali for maintaining sanitation and hygiene.	Healthcare	Raigad, Maharashtra	1.40	1.40	1.40	Direct
5	Constructed Borewell in the Sudhagad Education Society Secondary School, Chindhran to overcome water problems.	Healthcare	Raigad, Maharashtra	1.00	0.90	0.90	Direct
6	Organised Health Check-up Camp	Healthcare	Valia, Gujarat	1.00	0.59	0.59	Deepak Foundation
7	Organised Eye Check-up Camp	Healthcare	Valia, Gujarat	1.00	0.76	0.76	Deepak Foundation
8	Other	Education / Healthcare	Maharashtra and Gujarat	0.11	1.86	1.86	Other/Deepak Foundation
				74.51	81.51	81.51	

Our CSR Responsibilities:

We hereby confirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the projects and activities in compliance with our CSR objectives of the Company.

ANNEXURE V TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March 2019

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

To
The Members
APCOTEX INDUSTRIES LIMITED
49-53, Mahavir Centre,
Sector 17, Vashi,
Navi Mumbai - 400 703

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

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

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

(i) The Companies Act, 1956 and The Companies Act, 2013 (the Act) as applicable, 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 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, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: Not Applicable

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: Not Applicable.

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: Not Applicable.

(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 (Delisting of Equity Shares) Regulations, 2009: Not Applicable.

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: Not Applicable.

(vi) Following Laws applicable specifically to the Company.

a) The Petroleum Act, 1934 and Rules made thereunder.

b) The Indian Explosive Act, 1884 read with The Static and Mobile Pressure Vessels (Unfired) Rules, 1981.

c) The Factories Act, 1948 read with The Maharashtra Factories (Control of Industrial Major Accident Hazards) Rules, 2003.

d) The Environment (Protection) Act, 1986 read with The Manufacture, storage and Import of Hazardous Chemicals Rules, 1989.

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is change in the composition of the Board of Directors that took place during the period under review.

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 while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I 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.

Mahesh Hurgat
Practising Company Secretary
ACS NO.: 7139 C. P. NO.: - 2498

Place: Mumbai
Date:25th April 2019

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CORPORATE GOVERNANCE

1. **Company's Philosophy on Code of Corporate Governance:**

   The Company is committed to good Corporate Governance practices with the object of increasing benefits for all stakeholders of the Company viz. Shareholders, Customers, Suppliers, Employees and Society in general.

2. **Board of Directors:**

   The composition of the Board of Directors of the Company is presently governed by the provisions of Companies Act, 2013, the Articles of Association of the Company and the SEBI (LODR) Regulations, 2015. The Board is comprised of Nine Directors, both executive and non-executive. Mr. Atul Choksey is the Non-Executive Chairman. The day-to-day operations of the Company are managed by Mr. Abhiraj Choksey, the Managing Director and Plant operations by Mr. Y B Gadgil – Executive Director, under the active guidance of the chairman.

   Dr. S. Sivaram, Mr. Shailesh Vaidya, Mr. Kamlesh Vikamsey, Mrs. Priyamvada Bhumkar and Mr. Udayan Choksi are Non-Executive, Independent Directors, who constitute fifty six percent (56) of the total strength of the Board.

   The Board of Directors of the Company consists of persons of eminence, having good experience in business management, polymer technology, finance, accountancy and law. The Board of Directors meet as often as required but not less than four times a year i.e. once in a calendar quarter. The Directors receive minutes of all the meetings of the Board and of the respective Committee meetings wherever they are members; namely Audit Committee, Nomination & Remuneration Committee, Social Responsibility Committee and Stakeholders Relationship Committee. During the financial year 2018-19, five meetings of the Board of Directors were held on **i) 3rd May 2018, ii) 27th July 2018, iii) 1st November 2018, iv) 29th January 2019 and v) 28th March 2019**.

   Independent Directors are expected not to serve on the Board of competing companies. No Director of the company is a member of more than ten Committees or can act as Chairman of more than five committees across all public limited companies in which he / she is a Director. For the purpose of these only membership and chairmanship of Audit Committee and Stakeholders' Relationship Committee are alone considered.

   Further, every Director informs the Company about the Committee position he / she occupies in other companies and notifies the changes as and when they take place. The details of directorships held by the Company's Directors in public limited companies as on 31st March 2019 and attendance at the Board Meetings of the Company are given below:

Name of Director(s)	Designation / Category of Directorship	Board Meetings attended	Attendance at last AGM	No. of other Directorships held	No. of Committees of which Member / Chairman
Atul Choksey	Non- Executive Chairman Promoter	5	Yes	1	-/-
Abhiraj Choksey	Managing Director	5	Yes	-	1/-
Girish Choksey *	Non-Executive	2	Yes	NA	NA
Amit Choksey	Non-Executive	5	Yes	-	-/-
Manubhai Patel **	Non-Executive, Independent	NIL	NA	NA	NA
Dr. S. Sivaram	Non-Executive, Independent	5	Yes	4	-/2
Shailesh Vaidya	Non-Executive, Independent	4	No	2	-/1
Kamlesh Vikamsey	Non-Executive, Independent	5	Yes	5	2/4
Priyamvada Bhumkar	Non-Executive, Independent	4	No	-	1/-
Udayan Choksi ***	Non-Executive, Independent	3	NA	-	2/-
Y B Gadgil	Executive Director	5	No	-	-/-

* Girish Choksey resigned w.e.f 28th March 2019

** Manubhai Patel resigned w.e.f 18th June 2018

*** Udayan Choksi appointed w.e.f 27th July 2018

Mr. Atul Choksey, Mr. Abhiraj Choksey and Mr. Amit Choksey are related to each other.

The details of Directorship on the Board of Listed entities, other than Apcotex, of above directors are given below:

Sr. No.	Name of person		Names of the listed entities where the person is a director	Category of directorship
1	Mr. Abhiraj Choksey		-	-
2	Mr. Atul Choksey	1	Ceat Ltd	Independent Director
3	Mr. Amit Choksey		-	-
4	Dr. S Sivaram	1	Asian Paints Ltd	Independent Director
		2	Supreme Petrochem Ltd	Independent Director
		3	Deepak Nitrite Ltd	Independent Director
		4	GMM Pfaudler Ltd	Independent Director
5	Mr. Kamlesh Vikamsey	1	Navneet Education Ltd	Independent Director
		2	Tribhovandas Bhimji Zaveri Ltd	Independent Director
		3	GIC Housing Finance Ltd	Independent Director
		4	PTC India Financial Services Ltd	Independent Director
		5	Man Infraconstruction Ltd	Independent Director
6	Mr. Shailesh Vaidya	1	Siyaram Silk Mills Ltd	Independent Director
		2	Excel Industries Ltd	Independent Director
7	Mrs. Priyamvada Bhumkar		-	-
8	Mr. Udayan Choksi		-	-
9	YB Gadgil		-	-

A Director of an Listed Entity shall not be a director on the Board of more than Eight (8) Listed Entities with effect from 1st April 2019, out of which he/she shall not serve as an Independent Director on the Board of more than Seven (7) Listed Entities. However, a person on the Board of a Listed entity serving as Managing Director / Whole-Time-Director shall not serve as an Independent Director on the Board of not more than Three (3) Listed Entities.

Board Skills Matrix identified by Board of Directors of the Company

The board skills matrix provides a guide as to the skills, knowledge, experience, personal attributes and other criteria appropriate for the board of the Company. The template is designed to capture the skills of the current Board, assist in the recruitment of future directors if necessary and provide guidance for the Board in its succession planning.

The Board is a skills-based board comprising directors who collectively have the skills, knowledge and experience to effectively govern and direct the Company. The Board has identified the skills and attributes required of Company directors can be broadly categorised as follows

- **Governance skills** (skills directly relevant to performing the Board's key functions);
- **Industry skills** (skills relevant to the industry/section in which the organisation predominantly operates); and
- **Personal attributes/qualities** that are generally considered desirable to be an effective Director.

In addition, the Board as a whole should also encompass desirable diversity in aspects such as gender, age, or different perspectives relative to the skills and attributes noted above.

Governance Skills

Skill area	Description	Importance of Skill (essential, desirable, able to rely on external advice)
Strategy	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies for the Company.	**Essential**
Policy	Ability to identify key issues and opportunities for the Company within the Polymer industry, and develop appropriate policies to define the parameters within which the organisation should operate.	**Essential**

Finance	Qualifications and experience in accounting or finance and the ability to: o analyse key financial statements; o critically assess financial viability and performance; o contribute to strategic financial planning; o oversee budgets and the efficient use of resources; and o oversee funding arrangements and accountability.	**Essential**
Risk	Ability to identify key risks in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance management frameworks and systems.	**Essential**
Information technology	Knowledge and experience in the strategic use and governance of information management and information technology including personal information privacy and security risk management.	**Desirable**
Executive management	Experience at an executive level including the ability to: o appoint & evaluate the performance of the MD/KMP/Senior Management o oversee strategic human resource management and industrial relations	**Desirable**
Board experience	Experience as a director of a company, preferably of a listed company, and an understanding of compliance requirements, including reporting and shareholder meeting requirements	**Desirable**
Commercial experience	A broad range of commercial/business experience	**Desirable**
Technical	Have technical ability and knowledge to understand the company's product, process manufacturing technology etc	**Desirable**

Industry Skills

Skill area	**Importance of Skill (essential, desirable, able to rely on external advice)**
Expertise in the areas of the Company's Business	**Desirable**
Technical	
Depth of experience with the Company	**Desirable**

Personal Attributes/Qualities

Attribute	**Description**
Integrity (ethics)	A commitment to: o understanding and fulfilling the duties and responsibilities of a director, and maintaining knowledge o putting the Company's interests before any personal interests o being transparent and declaring any activities or conduct that might be a potential conflict o maintaining Board confidentiality
Influencer and negotiator	The ability to negotiate outcomes and influence others to agree with those outcomes, including an ability to gain broad stakeholder support for the Board's decisions
Critical and innovative thinker	The ability to critically analyse complex and detailed information, readily understand key issues, and develop innovative approaches and solutions to problems
Leader	Leadership skills including the ability to: o appropriately represent the organisation o set appropriate Board and Company culture o make and take responsibility for decisions and actions

The skill areas in the matrix will be regularly reviewed to ensure that the composition of skills on the Board remains aligned with the Group's stage of development and strategic direction.

Confirmation

In the opinion of the Board that the Independent Directors fulfil the conditions specified under Regulation 34(3) and 53(f) of SEBI (LODR) Regulations, 2015 and are independent of the management.

Familiarisation programmes

The web link of familiarisation programmes imparted to independent directors is disclosed in Director Report.

Details of shareholding of Directors as on 31st March 2019

The number of equity shares of face value of ₹ 5/- each of the Company held by the Directors as on 31st March 2019 is as under:

Name of Directors	Executive or Non-Executive Director	No. of Shares	% to paid up capital
Atul Choksey	Non-Executive Director	31,10,700	15.00
Abhiraj Choksey (including Abhiraj Choksey HUF)	Executive Director	27,10,287	13.07
Amit Choksey	Non-Executive Director	1,10,050	0.53
Dr. Sivaram	Non-Executive Director Independent	--	--
Shailesh Vaidya	Non-Executive Director Independent	--	--
Kamlesh Vikamsey	Non-Executive Director Independent	--	--
Priyamvada Bhumkar	Non-Executive Director Independent	10,000	0.05
Udayan Choksi	Non-Executive Director Independent	--	--
Y B Gadgil	Executive Director	2,600	0.01

Responsibilities:

The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and the intervening gap between the meetings is within the period prescribed under the Companies Act 2013. During the year under review the Board met **five (5)** times. The agenda of the Board meeting is circulated to all the Directors well in advance and contains all the relevant information. The Managing Director is responsible for corporate strategy, planning, external contacts and Board Matters. The Executive Director is responsible for Plant Operations. The senior management personnel heading respective divisions are responsible for all day-to-day operations related issues, productivity, recruitment, and employees retention for their divisions.

3. **Committees**

The Company has constituted various committee(s) in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Company Secretary acts as the Secretary to all the Committees. Each of these Committees has the authority to engage outsider experts, advisors, and counsels to the extent it considers appropriate to assist in its functions. Minutes of the Committee meetings are circulated to the Directors and placed before the Board meeting for noting thereat.

Audit Committee

The Audit Committee was constituted in April 2000, which was reconstituted by the Board of Directors in their meeting held on 26th April 2014 in compliance with the Companies Act, 2013. During the year under review, four meetings of the Committee were held on **i) 3rd May 2018, ii) 27th July 2018 iii) 1st November 2018 and iv) 29th January 2019.**

The Audit Committee comprises of three non-executive independent directors viz. Mr. Kamlesh Vikamsey as the Chairman, Mrs. Priyamvada Bhumkar and Mr. Udayan Choksi, as members.

Attendance at the Audit Committee meetings during the year under review are given below:

Name	Non-Executive / Independent	Numbers of Meetings held – **Four** Attended
Kamlesh Vikamsey	Non-Executive, Independent	4
M. G. Patel (resigned w.e.f 18th June 2018)	Non-Executive, Independent	NIL
Girish C. Choksey (resigned w.e.f 28th March 2019)	Non-Executive	1
Priyamvada Bhumkar	Non-Executive, Independent	3
Udayan Choksi (appointed w.e.f 27th July 2018)	Non-Executive, Independent	2

The Audit Committee invites the executives of the Company, as it considers appropriate, representatives of Statutory Auditor and representatives of the Internal Auditor at its meetings.

The role of the Audit Committee includes the followings pursuant to Regulation 18 of SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for terms of appointment and remuneration of Auditors of the Company;

3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
   b. Changes, if any, in accounting policies and practices and reasons for the same
   c. Major accounting entries involving estimates based on the exercise of judgment by management
   d. Significant adjustments made in financial statements arising out of audit findings
   e. Compliance with listing and other legal requirements relating to quarterly and yearly financial statements
   f. Disclosure of any related party transactions
   g. Modified opinion in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report to be submitted by monitoring agency with regard to utilisation of proceeds of a public or rights issue, and making appropriate recommendations to Company's Board;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertaking or assets of the company, whenever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of Statutory and Internal Auditors, reviewing Internal Control Systems in the organisation;
13. Reviewing adequacy of internal audit function, if any, including structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors over significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO;
20. Approval or any subsequent modification/ changes of Related Party Transactions;
21. To investigate into any matter specified under Section 177(4) or any matter referred by the Board.
22. The Committee has power to obtain external professional help/ advice and has right to ask for any information/ explanation.
23. To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower, if any.

4. **Nomination and Remuneration Committee:**

Pursuant to provisions of Section 178 of the Companies Act, 2013 and other applicable provisions, the Remuneration Committee was reconstituted as "Nomination and Remuneration Committee" by the Board of Directors in their meeting held on 26th April 2014, in compliance with the Companies Act, 2013. The present Members of Committee are - Dr. S. Sivaram, Mr. Atul Choksey, Mr. Kamlesh Vikamsey and Mrs. Priyamvada Bhumkar. Dr. S. Sivaam, Mr. Kamlesh Vikamsey and Mrs. Priyamvada Bhumkar are the non-executive independent director of the Company.

The Nomination and Remuneration committee met twice during the financial year viz. i) **27th July 2018 and** ii) **28th March 2019**. The necessary quorum was present for all the meetings. The Chairman of the Nomination & Remuneration Committee meeting was present at the last Annual General Meeting. The composition of the Committee during the financial year and the details of the meetings held and attended by the members are as under:

Name	Non-Executive / Independent	Numbers of Meetings held - **Two** Attended
Dr. S. Sivaram	Non-Executive Independent	2
Mr. Atul Choksey	Non-Executive	2
Mr. Kamlesh Vikamsey	Non-Executive Independent	2
Mrs. Priyamvada Bhumkar (appointed w.e.f 27th July 2018)	Non-Executive Independent	1
Mr. MG Patel (Resigned w.e.f 18th June 2018)	Non-Executive Independent	NIL

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management

The Nomination and Remuneration Policy is devised in accordance with Section 178 of the Companies Act, 2013 has been published elsewhere in this report as Annexure to the Directors Report. The performance evaluation criteria for independent director are provided in the Director Report. Further, the details of remuneration paid to all the Directors and other disclosures as required to be made under Regulation 34(3) of SEBI (LODR) Regulation 2015 have been provided in this Report.

5. **Remuneration of Directors/ Remuneration Policy:**

Non-executive Directors are paid sitting fees for each meeting of the Board or its committees attended by them and are also eligible for commission. The shareholders of the Company at the meeting held on 17th August 2017 had authorised the payment of commission to the Non-Executive Directors @ 1% of net profit of the Company, calculated in accordance with provisions of Section 197 and 198 of the Companies Act, 2013. The allocation of commission to Non-Executive Directors is determined by the Board based on various criteria like time spent, involvement in various decision making process and the individual contribution etc.

The payment of Commission, in the excess of 50% of the total Commission as computed under provisions of Section 198 of the Companies Act, 2013, available for Non-Executive Directors of the Company, to any one Director, needs to be approved by the Shareholders by way of Special Resolution.

The Sitting fees paid during the year and the Commission proposed for the year 2018-19 are as under:

Name of Director	Sitting Fees	Commission	Total
Mr. Atul Choksey	1,10,000	48,00,000	49,10,000
Mr. Girish Choksey *	60,000	NIL	60,000
Mr. Amit Choksey	70,000	NIL	70,000
Mr. M.G.Patel **	NIL	NIL	NIL
Dr. S. Sivaram	1,70,000	3,00,000	4,70,000
Mr. Shailesh Vaidya	1,40,000	3,00,000	4,40,000
Mr. Kamlesh Vikamsey	2,65,000	3,00,000	5,65,000
Mrs. Priyamvada Bhumkar	1,90,000	3,00,000	4,90,000
Mr. Udayan Choksi ***	1,50,000	2,00,000	3,50,000

* Girish Choksey resigned w.e.f 28th March 2019

** Manubhai Patel resigned w.e.f 18th June 2018

*** Udayan Choksi appointed w.e.f 27th July 2018

Remuneration paid to Directors for the financial year 2018-19 is as under:

Name	Mr. Abhiraj Choksey	Mr. Y B Gadgil
Salary	101.70 lacs	41.71 lacs
Variable Pay	As per Company's Policy.	As per Company's Policy.
Provident Fund	3.99 lacs	1.83 lacs
Perquisites	6.83 lacs	Nil
Notice Period	6 months	2 months
Details of Service contracts with Directors		
Director	**Service Contract and Period**	Severance Fees
Mr. Abhiraj Choksey Managing Director	Agreement date: 25-04-2019: Period:01-05-2019 to 30-04-2022	Nil
Mr. Y B Gadgil Executive Director	Period:06-02-2019 to 31-03-2020	Nil

6. **Stakeholders Relationship Committee':**

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015, the present Stakeholders Relationship Committee Members are – Mr. Shailesh Vaidya, Mr. Udayan Choksi and Mr. Abhiraj Choksey

The Stakeholders Relationship Committee met once during the financial year on 18th March 2019. The necessary quorum was present for the meeting. The composition of the Committee during the financial year and the details of the meeting held and attended by the members are as under:

Name	Non-Executive / Independent	Numbers of Meetings held - **One** Attended
Mr. Shailesh Vaidya	Non-Executive Independent	1
Mr. Udayan Choksi (appointed w.e.f 27th July 2018)	Non-Executive Independent	1
Mr. Girish Choksey (Resigned w.e.f 28th March 2019)	Non-Executive	1
Mr. Abhiraj Choksey (appointed w.e.f 28th March 2019)	Managing Director	Not applicable
Mr. M G Patel (Resigned w.e.f 18th June 2018)	Non-Executive Independent	Not Applicable

The broad terms of reference of Stakeholders Relationship Committee as set out in the SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013 will include the following:

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

The details of correspondences/grievances received and redressed during the financial year 2018-19 by the Company through the Registrars, Link Intime India Pvt Ltd, are as under;

		Correspondence
Source	**Received**	**Redressed/Attended**
A. **List of Type of complaints**		
Directly from the shareholders	55	55
SEBI	6	6
Stock Exchange	2	2
NSDL	1	1
Court Case	2	2
Total (A)	**66**	**66**
B. **List of Type of request**		
Change of Address	214	214
POA Registration	0	0
Registration of Nomination	10	10
Change of Status / Category	10	10
Stop Transfer / Procedure for Duplicate Certificate	201	201
Correction of Name/Address	57	57
Change of Signature	89	89
Issue of Duplicate Certificate	87	87
Registration of NECS / ECS Details	150	150
Confirmation of Details	0	0
Non Receipt of Dividend / Interest / Redemption Warrant	8	8
Procedure For Transmission / Deletion / Transposition	171	171
Issue of Duplicate Dividend Warrant	189	189
Exchange of Share Certificates	145	145
Issue of Fresh Demand Draft	19	19
Un-Claimed Dividend	12	12
Request For Annual Report	1	1
Receipt of IEPF 5 claim form	2	2
KYC updation as per SEBI circular	531	531
Total (B)	**1896**	**1896**
Grand Total (A+B)	**1962**	**1962**

Mr. Anand V. Kumashi, has been appointed as the Compliance Officer, as required by Regulation 6 of SEBI (LODR) Regulations 2015. He has been entrusted the task of meeting fully the requirements of the said Regulation and overseeing the share transfer work done by the Registrars and Share Transfer Agents; attending to grievances of the shareholders and investors; compliance with the statutory and regulatory requirements etc. of SEBI, and stock exchanges.

With reference to Regulation 46 of SEBI (LODR) Regulations, 2015 the Company has designated exclusive e-mail ID as redressal@apcotex.com for investors to register their grievances, if any. This has been initiated by the company to resolve investors' grievances, immediately. The Company has displayed the said e-mail ID on its Website for the knowledge of Investors.

7. **Corporate Social Responsibility Committee:**

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted a "Corporate Social Responsibility Committee" in their meeting held on 26th April 2014, in compliance with the Companies Act, 2013 comprising of three Directors including an Independent Director viz. Mr. Shailesh Vaidya, Mr. Atul Choksey - Chairman and Mr. Abhiraj Choksey – Managing Director.

The broad terms of reference of the Corporate Social Responsibility (CSR) Committee are as under:

a) Formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;

b) To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;

c) To monitor the CSR policy of the Company from time to time;

d) Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The Committee met on 23rd April 2019. The necessary quorum was present for the meeting. The composition of the Committee during the financial year 2018-19 and details of meeting held and attended by the Directors are as under:

Name	Non-Executive / Independent	Numbers of Meetings held - **One** Attended
Mr. Shailesh Vaidya	Non-Executive Independent	1
Mr. Atul Choksey	Non-Executive	1
Mr. Abhiraj Choksey	Managing Director	1

The CSR policy devised in accordance with provisions of Section 135 of the Companies Act, 2013 and the details about the development of CSR Policy and initiatives under taken by the Company on CSR during the financial year as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 have also been appended as an Annexure to the Directors Report.

8. **General body meetings:**

During the preceding three years, the Company's Annual General Meeting were held at Saphire, Royal Tulip Hotel, 26/B, Sector 7 Kharghar, Navi Mumbai, Maharashtra 410210 (2017-18 and 2016-17) and Plot no. 3/1, MIDC Industrial Area, Taloja-410208, Dist. Raigad, (2015-16)

Details of last three Annual General Meetings Held:

Year	Date	Time	Special resolution/s passed
2017-18	27th July 2018	04.00 p.m	Yes(One)*
2016-17	17th August 2017	04.30 p.m	Yes(One)*
2015-16	10th August 2016	04.00 p.m	Yes(Three)*

***Special Resolution/s passed:**

2017-18:

Shifting of Registered Office of the Company

2016-17:

Payment of Commission to Directors

2015-16:

a. Re-appointment of Mr. Abhiraj Choksey as Managing Director for a further period of 3 years.
b. Alteration of Memorandum of Association for increased in authorized share capital.
c. Alteration of Articles of Association for increased in authorized share capital.

Special Resolution passed through postal ballot

None of the business proposed to be transacted in the ensuing AGM require passing a special resolution through postal ballot.

9. **Means of Communication:**

a. The quarterly, half yearly and annual results of the Company's financial performances were published in two newspapers viz. 'Business Standard' and 'Mumbai Lakshadeep', and displayed on Company's website, www.apcotex.com.
b. The Annual Report is circulated to all members, and is also available on the Company's website.
c. The Annual Report of the Company for the financial year 2018-19 is being e-mailed to the members whose e-mail addresses are available with the depositories or are obtained directly from the members, as per section 136 of the Companies Act, 2013 and Rule 11 of the Company (Accounts) Rules, 2014 and Regulation 36 of SEBI (LODR) Regulations, 2015. For other members, who have not registered their e-mail addresses, the Annual Report has been sent at their registered address. If any member wishes to get a duly printed copy of the Annual Report, the Company will send the same, free of cost, upon receipt of request from the member.
d. Quarterly/event wise presentations made to institutional investors/analysts is uploaded on website of Stock Exchanges i.e BSE Ltd and NSE Ltd and displayed on Company's website, www.apcotex.com .

10. **General Shareholders Information:**

a. 33rd Annual General Meeting will be held on **Tuesday, 4th June 2019 at 11.00 am** at **EBONY Hall, Tunga Hotel, Plot No. 37, Sector 30 - A, Vashi, Navi Mumbai 400 703**
b. The Company's financial Year is 1st April to 31st March
c. Dividend payment date: **on or after 4th June 2019.**
d. Listing on Stock Exchanges: The Company's equity shares are listed on BSE Ltd and NSE Ltd, Mumbai. The Annual Listing fees have been paid and there is no outstanding payment towards the stock exchanges, as on date.

e. Stock Code: BSE Limited - 523694
Symbol: NSE Limited. – APCOTEXIND

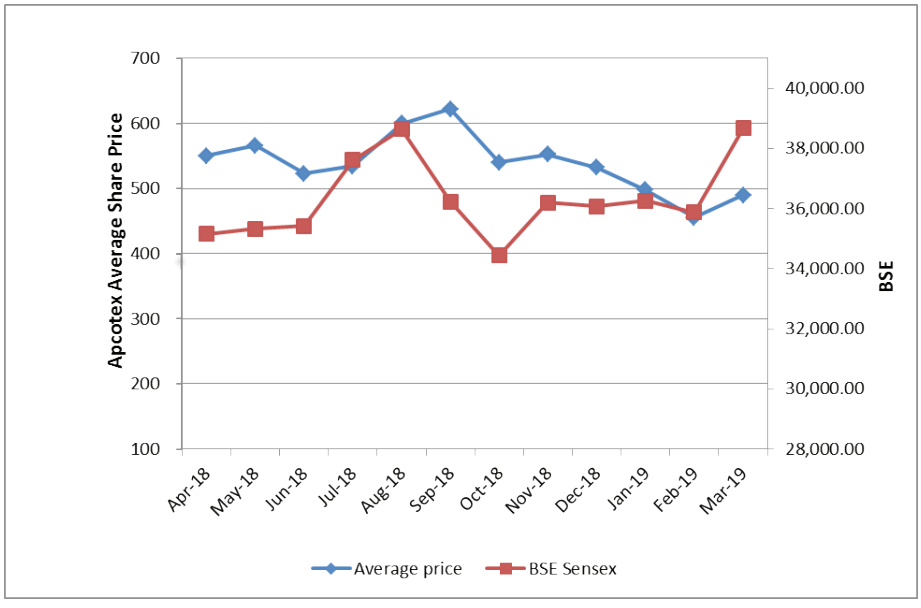
f. Market Price Data:

Monthly high and low prices of equity shares of the company quoted at BSE and NSE during the year **2018-19.**

(Amount in ₹)

Month	**BSE**		**NSE**	
	High	Low	High	Low
April	603	497	605	504
May	611	520	613	520
June	548	498	550	492
July	577	490	578	492
August	650	550	644	550
September	669	575	669	578
October	575	505	583	501
November	578	526	570	523
December	550	513	550	506
January	540	455	539	454
February	481	429	478	430
March	526	453	530	451

g. Stock Performance Index :



h. Dates of book closure: **Saturday, 25th May 2019 to Monday, 3rd June 2019** (both days inclusive) for the Purpose of AGM and payment of dividend.

i. Registrars and Share Transfer Agents:

The Company has appointed Link Intime India Pvt Limited as its Registrars and Share Transfer Agents w.e.f 1st August 2006. Share Transfers, dematerialisation of shares, and all other investors related activities are attended and processed at the office of the Registrars and Share Transfer Agents at the following address :

Link Intime India Pvt Ltd
C-101, 247 Park, L.B.S. Marg, Vikhroli (W),
Mumbai- 400 083
Tel. No.- 022-49186000, 49186270
Fax : (022) 49186060
Email : rnt.helpdesk@linkintime.co.in

j. Share Transfer System:

Company's shares are compulsorily traded in the demat segment on the stock exchange(s), and most transfers of shares take place in electronic form.

For expediting Physical transfer of shares, the Board has delegated the share transfer formalities to the officials of Registrar and Share Transfer Agent, to approve the transfer of shares on every Monday. Physical transfers are effected well within the stipulated period of 30 days.

Share Transfers

Share Transfer Forms (SH-4) for shares held in physical mode which are received by the Company/Link Intime India Pvt Ltd, complete in all respects are promptly processed and the share certificates are returned to the transferees within a period of 30 days from the date of receipt of transfer. Share transfer forms which are incomplete or cases where the Company/ Link Intime India Pvt Ltd has noticed irregularities in the document are immediately returned to the transferees by registered post.

SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 amended Regulation 40 of SEBI (LODR) Regulations, 2015 pursuant to which after 31st March 2019 transfer of securities could not be processed unless the securities are held in the dematerialized form with a depository.

Members holding shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode after 31st March 2019.

Nomination facility for shareholding

As per the provisions of Section 72 of the Companies Act 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Share Department of the Company/ Link Intime India Pvt Ltd. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

Permanent Account Number (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferor(s), transferee(s), surviving joint holders/legal heirs be submitted to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

Members attention is invited to SEBI's circular no SEBI/HO/MIRSD/0081/CIR/P/2018/73 dated April 20, 2018, pursuant to which the Company has written to shareholders holding shares in physical form, requesting them to furnish details regarding their PAN and also their bank details for payment of dividend through electronic mode. Those shareholders, who are yet to respond to the Company's request in this regard, are once again requested to take action in the matter at the earliest.

Subdivision of shares

The Board of Directors of your Company have proposed to subdivide the face value of its Equity Shares from ₹ 5/- each fully paid-up ₹ 2/- each fully paid, subject to approval of the shareholding in the ensuing general meeting. On approval of the shareholders and ex-sub-division of equity shares, the old shares having face value of ₹ 5/- are no longer tradable or invalid and stands cancelled. The Company will send the new share certificate of face value of ₹ 2/- each, to all members holding the shares in the physical mode, even without surrendering the old share certificate of face value of ₹ 5/- each which automatically stands cancelled. The Members holding the shares in the electric form will be credited with the required number of shares through corporate action on the ex-subdivision date.

k. Distribution of Shareholding as on 31st March 2019:

Category	No. of Shareholders	% to total no. of Shareholders	Share Amount	% of total issued amount
1 - 2500	19,710	90.06	1,15,75,025	11.16
2501 - 5000	1,088	4.97	41,19,350	3.97
5001 - 10000	530	2.42	39,81,795	3.84
10001 – 15000	137	0.63	17,22,170	1.66
15001 - 20000	118	0.54	21,58,600	2.08
20001 - 25000	61	0.28	13,97,360	1.35
25001 - 50000	115	0.53	43,22,640	4.17
50001 and above	124	0.57	7,44,12,980	71.77
Total	**21,883**	**100.00**	**10,36,89,920**	100.00

l. Dematerialisation of Shares:

The shares of the Company are available for dematerialisation (holding of shares in electronic form) on both the depositories viz. NSDL and CDSL.

Equity Shares of the company are to be compulsorily traded in the dematerialised form. As on 31st March 2019, 1,97,53,614 Equity Shares comprising of 95.25% of paid up capital of the company, have been dematerialised by the investors and bulk of transfers take place in the demat segment.

m. Outstanding Stock

Outstanding GDR's/ADR's/Warrants or any convertible instruments, conversion data and impact on equity: NIL

n. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company is not dealing / trading in any commodities / exchanges, hence does not have any exposure to commodity price risk.

Company imports couple of bulk materials for which Options / Forward covers are taken immediately on crystallisation of the liability

The Company has a dynamic risk management framework to identify, monitor, mitigate and minimize foreign currency risk

o. Plant Locations

Taloja Plant: Plot No.3/1, MIDC Industrial Area Taloja – 410 208, Dist. Raigad, Telephone: 022 2740 3500 Fax: 022 2741 2052	**Valia Plant**: Village – Dungri, Tal- Valia, Ankleshwar – 393135. Dist – Bharuch, Gujarat

p. Address for correspondence

Investor correspondence may be addressed to any of the following:

Registered Office	**Registrar & Share Transfer Agents**
49-53, Mahavir Centre, Sector 17 Vashi, Navi Mumbai - 400 703 Tel. No: 022 27770800	Link Intime India Pvt Ltd C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083 Tel. No.-022-49186000, 49186270 Fax - (022) 49186060
Website: www.apcotex.com E-mail: redressal@apcotex.com	Website: www.linkintime.co.in E-mail. : rnt.helpdesk@linkintime.co.in

q. Credit Rating

ICRA has reaffirmed the credit rating of ICRA AA- (stable) for the long term and ICRA A1+ for short term financial instruments of the Company. This reaffirms the high reputation and trust the Company has earned for its sound financial management and its ability to meet financial obligations.

r. Categories of Shareholding as on 31st March 2019:

Sr. No.	Category	No. of Shares	% of shareholding
1.	**Promoters' Holding**		
	Indian Promoters	1,20,13,907	57.93
2.	**Non promoters' Holding**		
	Mutual Funds/Trusts/clearing members	1,16,857	0.56
	Insurance companies/Banks/Financial Institution	14,270	0.07
	Indian Public	71,26,426	34.38
	Directors/Relatives	13,118	0.06
	Hindu Undivided Family	2,07,476	1.00
	Non Resident Indians	3,69,573	1.78
	Other Corporate Bodies	8,13,051	3.92
	IEPF Authority	50,414	0.24
	Alternate Investment Funds	12,892	0.06
	Total	**2,07,37,984**	**100.00**

s. Proposed Dividend:₹ 7.50/- (Rupees Seven and fifty paise only) for Equity Shares of ₹ 5/- each.

t. Electronic Clearing Service (ECS): The Company has extended the ECS facility to shareholders to enable them to receive dividend through electronic mode in their bank account. The Company encourages members to avail of this facility as ECS provides adequate protection against fraudulent interception and encashment of dividend warrants, apart from eliminating loss/damage of dividend warrants in transit and correspondence with the Company on revalidation/issuance of duplicate dividend warrants.

u. Bank Details for electronic shareholding: Members are requested to notify their depository participant (DP) about the changes in bank details. Members are requested to furnish complete details of their bank accounts, including the MICR codes of their banks, to their DPs.

v. Furnish copies of Permanent Account Number (PAN): The members are requested to furnish their PAN which will help us to strengthen the compliance with KYC norms and provisions of prevention of Money Laundering Act, 2002.

For transfer of shares in physical form, SEBI has made it mandatory to the transferee to submit a copy of PAN card to the Company.

w. ISIN allotted to Equity Shares is INE116A01024

x. Corporate Identification Number (CIN No.):

L99999MH1986PLC039199

11. **Other Disclosures:**

a. Related Party Transactions:

During the year, there were no material related party transactions i.e. transactions of the Company of a material nature with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company at large. The details of Related Party Transactions are given in Annexure to the Directors Report.

b. Compliances:

The Company believes that it has complied with all the regulations of Stock Exchanges, SEBI or other statutory authority/ties on matters related to capital markets. No penalty has been imposed or strictures passed during the year against the Company by SEBI, Stock Exchange(s), or any other statutory authority.

c. Vigil Mechanism or Whistle-Blower Policy:

Pursuant to Section 177 of the Companies Act, 2013 and the Regulation 22 of SEBI (LODR) Regulation, 2015, the Company has a Whistle-Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower Policy has been hosted on the website of the Company at https://apcotex.com/policy/Whistle_Blower_Policy.pdf

d. Web link of policy on dealing with related party transactions:

The web link of policy on dealing with related party transactions is provided in Director Report.

e. Certificate from company secretary in practice

The Company has obtained a certificate from Mr. Mahesh Hurgat, Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

f. Recommendation of Committee

All the recommendations of the committees are accepted by the Board

g. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is provided in Director Report

h. Risk Management:

The Company has since 2004-05, undertaken the exercise of identifying risks being faced by the company and ways of managing such risks. Risk minimisation is being built up in the operating systems. Risks are periodically reviewed at both Audit committee level and Board of Directors of the company.

i. Meeting of Independent Directors:

The company's Independent Directors met on 28th March 2019 without the presence of the Managing Director, Non-Executive Non-Independent Directors and the Management representatives. The meeting was attended by all the Independent Directors and was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

j. Code of Conduct:

The Company has adopted a Code of Conduct for Directors and members of Senior Management which was revised and approved by Board at the their Meeting held on 28th March 2019 in compliance with recently amended SEBI (Prohibition of Insider Trading) Regulations. The Code is available on the Company's Website at https://www.apcotex.com/policy/Code%20of%20Conduct%20for%20Board%20Members%20&%20SMP.pdf . All Board members and senior management personnel have affirmed compliance with the code. A declaration to that effect signed by Mr. Abhiraj A. Choksey, Managing Director is appearing in the Annual Report.

k. Prohibition of Insider Trading:

In compliance with the provisions of SEBI (Prohibition of Insider Trading Regulations) 2015, as amended from time to time, to preserve the confidentiality and prevent misuse of unpublished price sensitive information (UPSI)/Leak of UPSI, the Company has adopted a Code of Conduct for Insider Trading for prohibition of Insider trading which was revised and approved by Board at their meeting held on 28th March 2019, for Promoters, Member of Promoter group, directors, Designated Person/ Employees, their immediate relatives, designated persons of material subsidiary Company and substantial shareholders in the listed Companies. This policy also provides for periodical disclosures from the designated person as well as pre-clearances of transactions by such persons.

l. MD and CFO Certification:

Certificate from Mr. Abhiraj Choksey, Managing Director and Mr. Suraj Badale, CFO, in terms of Regulation 17 of SEBI (LODR) Regulations, 2015, was placed before the Board of Directors of the Company in its meeting held on 25th April 2019.

m. Management Discussion and Analysis forms part of the Directors Report.

n. Certification of Corporate Governance Report:

Certificate from Mr. Mahesh Hurgat, Practicing Company Secretary, (Membership no.-7139) on Corporate Governance, as required by Regulation 34 of SEBI (LODR), Regulations, 2015, is incorporated in this Annual Report.

12. **Unclaimed Dividend**

Under the Companies Act, 2013, dividends that are unclaimed for a period of seven years are to be transferred to the Investors Education and Protection Fund, administered by the Central Government. The table given below gives the dates of dividend declaration or payment and the corresponding date when unclaimed dividends will be due to be transferred to the Central Government.

Year	Dividend Account No.	Bank name	Date of declaration	Date due for transfer to Central Government
2011-12	32385456081	State Bank of India	05/07/2012	04/07/2019
2012-13	33052231411	State Bank of India	28/06/2013	27/06/2020
2013-14	33955651985	State Bank of India	31/07/2014	29/07/2021
2014-15	35071962068	State Bank of India	31/07/2015	29/07/2022
2015-16	35933618597	State Bank of India	10/08/2016	09/08/2023
2016-17	37018745044	State Bank of India	17/08/2017	16/08/2024
2017-18	37799003587	State Bank of India	27/07/2018	26/07/2025

The concerned shareholders are requested to get their uncashed dividend warrants revalidated and encashed thereafter.

Transfer of the 'Shares' into Investor Education and Protection Fund (IEPF) (in cases where dividend has not been claimed for seven consecutive years.)

In terms of Section 124(6) of the Act read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, and Notifications issued by the Ministry of Corporate Affairs from time to time, the Company is required to transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years or more to the IEPF Account established by the Central Government. As required under the said Rules, the Company has transferred 32232 equity shares to the IEPF account during the financial year.

Guidelines for Investors to file claim in respect of the Unclaimed Dividend or Shares transferred to the IEPF

With effect from September 7, 2016, Investors/Depositors whose unpaid dividends, matured deposits or debentures etc. have been transferred to IEPF under Companies Act, 1956 and/or the Act, can claim the amounts. In addition, claims can also be made in respect of shares which have been transferred into the IEPF, as per the procedures/guidelines stated below:

a. Download the Form IEPF-5 from the website of IEPF (http://www.iepf.gov.in) for filing the claim for the refund of dividend/shares. Read the instructions provided on the website/instruction kit along-with the e-form carefully before filling the form.

b. After filling the form, save it on your computer and submit the duly filled form by following the instructions given in the upload link on the website. On successful uploading, an acknowledgement will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.

c. Take a print out of the duly filled Form No. IEPF-5 and the acknowledgement issued after uploading the form.

d. Submit an indemnity bond in original, copy of the acknowledgement and self attested copy of e-form along with other documents as mentioned in the Form No. IEPF-5 to the Nodal Officer (IEPF) of the Company at its Registered Office in an envelope marked "Claim for refund from IEPF Authority" / "Claim for shares from IEPF" as the case may be. Kindly note that submission of documents to the Company is necessary to initiate the refund process.

e. Claim forms completed in all respects will be verified by the concerned Company and on the basis of Company's Verification Report, refund will be released by the IEPF Authority in favour of claimants' Aadhar linked bank account through electronic transfer and/or the shares shall be credited to the demat account of the claimant, as the case may be.

The Nodal Officer of the Company for IEPF Refunds Process is Mr Anand Kumashi whose e-mail id is avkumashi@apcotex.com

Dealing with securities which have remained unclaimed

Under Regulation 39(4) of SEBI (LODR) Regulations, 2015 read with Schedule VI "Manner of dealing with Unclaimed Shares", Companies are required to dematerialize such shares which have been returned as "Undelivered" by the postal authorities and hold these shares in an "Unclaimed Suspense Account" to be opened with either one of the Depositories viz. NSDL or CDSL.

All corporate benefits on such shares viz. bonus, dividends etc. shall be credited to the unclaimed suspense account as applicable for a period of seven years and thereafter be transferred in accordance with the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Act.

Declaration – Code of Conduct

The Board has laid down the code of conduct for the all the Board Members and Senior Management of the company, which is posted on the Company's Website. All the Board Members and Senior Management personnel of the company, for the financial year ended 31st March 2019, have affirmed compliance with code of conduct.

For Apcotex Industries Limited

Abhiraj Choksey
Managing Director
DIN: 00002120

Date : 25th April 2019
Place : Mumbai

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE;

To the **Members of Apcotex Industries Limited**
49-53, Mahavir Centre, Sector 17
Vashi, Navi Mumbai - 400 703

I have examined the compliance of conditions of **Corporate Governance** by **Apcotex Industries Limited** for the financial year **2018-19**, as stipulated under Regulation 34 of SEBI (LODR) Regulations 2015.

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

In My opinion and to the best of our information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 34 of SEBI (LODR) Regulations 2015 .

I further state that such compliance is neither an assurance as to the future viability of the Company or the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Mahesh Hurgat
Practicing Company Secretary
ACS No. 7139
C.P. No. 2498

Date : 25th April 2019
Place : Mumbai

Managing Director and Chief Financial Officer (CFO) Certification

We the undersigned, in our respective capacities as Managing Director and CFO of Apcotex Industries Ltd to the best of our knowledge and belief certify that:

A. We have reviewed the Financial Statement for the financial year ended 31st March 2019 and that to the best of our knowledge and belief:
   1. These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. These Statements together present a true and fair view of the Company and are in compliance with existing Indian Accounting Standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee
   1. significant changes in internal control over financial reporting during the financial year;
   2. significant changes in accounting policies during the financial year and that the same have been disclosed in the notes to the accounts; and
   3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Abhiraj Choksey
Managing Director

Suraj Badale
Chief Financial Officer

Date: 25th April 2019

Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To The Members of Apcotex Industries Limited

Report on the Financial statement

Opinion

We have audited the accompanying financial statement of **Apcotex Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statement, including a summary of significant accounting policies and other explanatory information (herein after referred to as 'the financial statement').

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditors Responsibilities for the Audit of the Financial statement* 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 together with the ethical requirements that are relevant to our audit of the financial statement 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 opinion.

Key Audit Matters

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

Sr. No.	Key Audit Matters	Audit Approach
1.	**Enhancement of Company's ERP System:** During the year the Company has enhanced its ERP system by migrating from Microsoft Dynamics NAV to SAP S/4 HANA. During any period of significant system change, there is an increased risk to the internal financial control environment following system integration, migration of activities and other changes.	Our procedures focused on key processes and controls over the system critical to our audit. These included management of the systems, access to the systems, operations, back up and restore. We updated our understanding of the Company's applications and transitions that have impacted our financial statement audit by carrying out walk through tests.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statement and our auditor's report there on. Our opinion on the financial statement 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 statement our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information,we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial statement

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 statement that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statement

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

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

- Identify and assess the risks of material misstatement of the financial statement, 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 statement 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 statement, including the disclosures, and whether the financial statement represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 the internal control that we identify during our audit.

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

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

Other Matter:

The previously issued Financial statement of the Company for the year ended 31st March 2018 prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015

were audited by another firm of Chartered Accountants whose report dated on 3rd May 2018 for the year ended on 31st March 2018 expressed an unmodified opinion on those Financial statement.

Our opinion is not modified in respect of above matter

Report on Other Legal and Regulatory Requirements

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

2) As required by Section 143(3) of the Act, we report that:

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

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

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

   (d) In our opinion, the aforesaid financial statement comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in **"Annexure B"**;

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

      (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statement – Refer Note 37(a) to the financial statement;

      (ii) The Company has made provision, as required under the applicable law or Indian accounting standard, for material foreseeable losses, if any on long-term contracts including derivative contracts – Refer Note 40 to the financial statement;

      (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For SGDG & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No: W100188

SHARAD GUPTA
Partner
Membership No: 116560

Place: Mumbai
Dated: 25th April 2019

ANNEXURE – A TO THE INDEPENDENT AUDITOR'S REPORT

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Company has a program of verification to cover all items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties and/or lease agreements in case immovable properties are taken on lease are held in the name of the Company, except:

Sr. No.	Total No of cases	Type of Assets	Gross Block as at 31st March 2019 (₹ in Lakh)	Net Block as at 31st March 2019 (₹ in Lakh)	Remarks
1	1	Lease Hold Land	399.93	346.85	The Company is in the process of transferring the title deeds in its name

(ii) The Management has conducted physical verification of the inventories at reasonable intervals. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.

(iii) The Company has not granted any loans secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loans to the parties covered under section 185 of the Act. The company has not given any loans and guarantees but has made investments in the securities of other body corporate within the limits specified by section 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of section 73, 74, 75 and 76 or any other relevant provisions of the Act. and the Rules framed there under to the extent notified.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India for the maintenance of cost records under section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and based on the records of the Company examined by us, the particulars of dues of Income Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty, Value Added Tax, Goods and Service Tax, Cess as at 31st March 2019 which have not been deposited on accounts of any disputes are as follows:

Sr. No.	Name of the Statue	Nature of Dues	Amount (₹ in Lakh)	Financial Year for which amount relates	Forum where the dispute is pending
1	Income Tax Act, 1961	Income Tax	580.76	2002-03, 2010-11 to 2013-14	Commissioner of Income Tax (Appeals)
2	Income Tax Act, 1961	Income Tax	8.00	2007-08	Income Tax Appellate Tribunal
3	Maharashtra Value Added Tax	Value Added Tax	1.70	2006-07	Bombay High Court
4	Maharashtra Value Added Tax	Value Added Tax	73.49	2007-08 to 2011-12	Joint Commissioner of Sales Tax (Appeals)
5	Profession Tax	Profession Tax	2.29	2007-08	Assessing Officer
6	Profession Tax	Profession Tax	0.90	2009-10	Joint Commissioner Appeals
7	Customs Act	Custom Duty	142.09	2000-01 to 2004-05	Supreme Court
8	Central Excise Act	Excise Duty	0.13	2007-08	Tribunal
9	Central Excise Act	Excise Duty	1.59	2009-10 to 2011-12	Deputy Commissioner
10	Central Excise Act	Service Tax	83.36	2005-06 to 2014-15	Customs Excise and Service Tax Appellate Tribunal
11	Central Excise Act	Service Tax	18.62	2015-16 to 2016-17	Customs Excise and Service Tax Appellate Tribunal
12	Central Excise Act	Service Tax	121.38	2016-17 to 2017-18	Joint Commissioner
13	Central Excise Act	Service Tax	185.46	2012-13 to 2017-18	Addl Commissioner
14	Local Body Tax	Local Body Tax	152.17	2016-17	Bombay High Court

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to the bank. The company does not have dues to financial institution, government or debenture holders as at the balance sheet date.

(ix) In our opinion, and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans have been applied for the purposes for which they were obtained.

(x) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration during the year in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting as per paragraph 3(xii) of the Order is not required.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable Indian Accounting Standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, reporting as per paragraph 3(xv) of the Order is not required.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SGDG & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No: W100188

SHARAD GUPTA
Partner
Membership No: 116560
Place: Mumbai
Dated: 25th April 2019

ANNEXURE – B TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date,

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For SGDG & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No: W100188

SHARAD GUPTA
Partner
Membership No: 116560

Place: Mumbai
Dated: 25th April 2019

BALANCE SHEET AS AT 31ST MARCH 2019

(₹ in Lakh)

		Notes	As at 31st March, 2019	As at 31st March, 2018
I	**ASSETS**			
	NON CURRENT ASSETS			
a)	Property, Plant and Equipment	2	**7,499.29**	7,816.46
b)	Capital Work in Progress	2	**2,119.15**	912.42
c)	Investment Properties	3	**-**	11.36
d)	Intangible Assets	4	**142.44**	36.50
e)	Financial Assets:			
	i) Investments	5	**4,278.03**	4,990.70
f)	Current tax Assets (net)	6	**382.24**	654.08
g)	Other Non-Current Assets	7	**1,820.91**	931.01
			16,242.06	15,352.53
	CURRENT ASSETS			
a)	Inventories	8	**4,816.78**	4,930.41
b)	Financial Assets:			
	i) Investment	9	**2,613.50**	2,547.07
	ii) Trade Receivables	10	**11,119.35**	9,824.35
	iii) Cash and Cash Equivalents	11	**570.22**	552.64
	iv) Other Bank Balances	12	**436.21**	174.65
	v) Loans	13	**24.69**	30.45
	vi) Others	14	**401.55**	416.86
c)	Other Current Assets	15	**1,478.13**	572.00
			21,460.43	19,048.43
	TOTAL ASSETS		**37,702.49**	34,400.96
II	**EQUITY AND LIABILITIES**			
	EQUITY			
a)	Equity Share Capital	16	**1,036.90**	1,036.90
b)	Other Equity	17	**26,738.29**	23,601.80
			27,775.19	24,638.70
	LIABILITIES			
	NON CURRENT LIABILITIES			
a)	Financial Liabilities:			
	i) Borrowings	18	**100.00**	-
	ii) Other Financial Liabilities	19	**345.61**	298.66
b)	Provisions	20	**276.13**	219.64
c)	Deferred Tax Liabilities (Net)	21	**136.50**	180.85
			858.24	699.15
	CURRENT LIABILITIES			
a)	Financial Liabilities:			
	i) Borrowings	22	**298.54**	1,736.77
	ii) Trade Payables			
	Total outstanding dues of Micro Entreprises and Small Enterprises	23	**332.13**	117.14
	Total outstanding dues of creditors other than Micro Enterprises and Small Entreprises	23	**4,923.92**	4,691.76
	iii) Other Financial Liabilities	24	**2,412.21**	1,610.53
b)	Provisions	25	**44.05**	35.24
c)	Other Current Liabilities	26	**1,058.21**	871.67
			9,069.06	9,063.11
	TOTAL EQUITY AND LIABILITIES		**37,702.49**	34,400.96
	Significant Accounting policies	1.3		
	The accompanying notes 1 to 48 are an integral part of these financial statement			

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As per our Report of even date
For SGDG & ASSOCIATES LLP
Chartered Accountants
Firm Registration Number: W100188

SHARAD GUPTA
Partner
Membership Number: 116560
Mumbai, Date : 25th April, 2019

For and on behalf of Board of Directors

ATUL C. CHOKSEY	Chairman (DIN00002102)
ABHIRAJ A. CHOKSEY	Managing Director (DIN00002120)
KAMLESH S. VIKAMSAY	Director (DIN00059620)
ANAND V. KUMASHI	Company Secretary
SURAJ S. BADALE	Chief Financial Officer

Mumbai, Date : 25th April, 2019

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

(₹ in Lakh)

		Notes	For the Year Ended 31st March 2019	For the Year ended 31st March 2018
I	Revenue from Operations	27	**62,566.65**	53,824.80
II	Other Income	28	**769.00**	713.41
III	**Total Income (I + II)**		**63,335.65**	54,538.21
IV	EXPENSES			
	a) Cost of Material Consumed	29A	**44,489.65**	35,941.50
	b) Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress.	29B	**(188.70)**	116.68
	c) Excise Duty		**-**	1,206.86
	d) Employee benefits expense	30	**3,829.22**	3,383.42
	e) Finance Costs	31	**180.30**	156.98
	f) Depreciation and Amortization expense	32	**1,179.26**	1,214.24
	g) Other expenses	33	**7,678.91**	6,797.58
	Total Expenses (IV)		**57,168.64**	48,817.26
V	Profit before Exceptional Items and Tax (III - IV)		**6,167.01**	5,720.95
VI	Exceptional Items	34	-	143.40
VII	**Profit before Tax (V - VI)**		**6,167.01**	5,577.55
VIII	Tax Expense	35		
	a) Current Tax		**2,081.00**	1,860.00
	b) Deferred Tax		**(856.22)**	(146.09)
	c) Short/Excess Tax provision of earlier years		**281.75**	**-**
	Total Tax Expense (VIII)		**1,506.53**	1,713.91
IX	Profit for the year from Continuing Operations		**4,660.48**	3,863.64
X	Other Comprehensive Income			
	- Items that will not be reclassified to profit and loss			
	Acturial gains/(losses) on defined benefit plans		**(36.71)**	(45.26)
	Deferred tax relating to Other Comprehensive Income		**12.79**	15.66
	Total Other Comprehensive Income for the year		**(23.92)**	(29.60)
XI	**Total Comprehensive Income for the year**		**4,636.56**	3,834.04
XII	Earnings per Equity share of ₹ 5/- each (from continuing operation)			
	- Basic & Diluted	36	**22.47**	18.63
	Significant Accounting policies	1.3		
	The accompanying notes 1 to 48 are an integral part of these financial statement			

As per our Report of even date
For SGDG & ASSOCIATES LLP
Chartered Accountants
Firm Registration Number: W100188

SHARAD GUPTA
Partner
Membership Number: 116560
Mumbai, Date : 25th April, 2019

For and on behalf of Board of Directors
ATUL C. CHOKSEY Chairman (DIN00002102)
ABHIRAJ A. CHOKSEY Managing Director (DIN00002120)
KAMLESH S. VIKAMSAY Director (DIN00059620)

ANAND V. KUMASHI Company Secretary
SURAJ S. BADALE Chief Financial Officer

Mumbai, Date : 25th April, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

(₹ in Lakh)

			For the Year ended 31st March 2019	For the Year ended 31st March 2018
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**			
	Profit Before Tax		**6,167.01**	5,577.55
	Adjustments for :			
	Depreciation and Amortization Expense		**1,179.26**	1,214.24
	Finance Cost		**180.30**	156.98
	Prov for Diminishing Value of Investments (PL)		**-**	24.93
	Foreign Exchange Fluctuation Difference		**(231.35)**	(180.92)
	Fixed Assets Written off		**21.51**	47.37
	Loss / (Profit) on Sale of Assets		**0.73**	39.78
	Provision for Bad and Doubtful Debts		**(0.04)**	(20.96)
	Net gain on financial assets measured at fair value through Profit and Loss		**(219.87)**	(571.79)
	Loss / (Surplus) on Sale of Investment		**17.69**	81.37
	Dividend Income		**(105.07)**	(66.01)
	Interest received		**(128.16)**	(30.14)
	Income from Rent		**(44.46)**	(55.07)
	Excess Provision Written back		**0.40**	(32.90)
	Operating Profit Before Working Capital Changes		**6,837.94**	6,184.44
	Adjustments for :			
	Increase / (Decrease) in Non Current Liabilities		**103.45**	25.83
	Increase / (Decrease) in Trade Payable and Other Current Liabilities		**1,407.06**	2,836.57
	(Increase) / Decrease in Non Current Assets		**(889.90)**	254.85
	(Increase) / Decrease in Inventories		**113.64**	(480.18)
	(Increase) / Decrease in Trade Receivable and Other Current Assets		**(2,441.67)**	(2,103.14)
	Cash Flow Generated from Operations		**5,130.52**	6,718.37
	Direct taxes paid		**(1,247.00)**	(1,400.41)
	Net Cash Flow from Operating Activities	**(a)**	**3,883.52**	5,317.96
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of PPE and intangible assets		**(2,225.79)**	(1,206.33)
	Proceeds on sale of PPE and intangible assets		**38.52**	504.61
	Purchase of Investments		**(3,038.32)**	(1,428.03)
	Sale of Investments		**4,149.96**	881.02
	Dividend Income		**105.07**	66.01
	Interest received		**131.49**	104.10
	Income from Rent		**44.46**	55.07
	Net Cash Used in Investing Activities	**(b)**	**(794.61)**	**(1,023.55)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (Cont...)

(₹ in Lakh)

			For the Year ended 31st March 2019	For the Year ended 31st March 2018
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds / (Repayment) of Short Term Borrowings (Net)		**(1,438.24)**	**(487.63)**
	Proceeds from Long Term Borrowings		**100.00**	**-**
	Finance Cost paid		**(180.30)**	**(157.09)**
	Dividends paid		**(1,230.59)**	**(920.22)**
	Dividend Distribution Tax paid		**(255.77)**	**(189.98)**
	Net Cash Used in Financing Activities	**(c)**	**(3,004.90)**	**(1,754.92)**
	Net Increase/ (Decrease) in Cash and Cash Equivalents	**(a+b+c)**	**84.01**	**2,539.49**
	Cash and cash equivalents as at 1st April 2018		**3,099.71**	**560.22**
	Cash and cash equivalents as at 31st March 2019		**3,183.72**	**3,099.71**

The accompanying notes 1 to 48 are an integral part of these financial statement

Notes :

1 The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - Cash Flow Statement and presents cash flows by operating , investing and financing activities.

2 Cash and cash equivalents comprises of :

(₹ in Lakh)

	As at 31st March 2019	As at 31st March 2018
Cash and Cash Equivalents	**570.22**	552.64
Current Investment	**2,613.50**	2,547.07
Cash and cash equivalent in cash flow statement	**3,183.72**	3,099.71

3 The amendments to Ind AS 7 Cash Flow statements requires the entities to provide disclosures that enable users of financial statement to evaluate changes in liabilities arising from financing activities, including both the changes arising from cash flow and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities. There is no other impact on the financial statement due to this amendments.

(₹ in Lakh)

	As at 31st March, 2018	Cash Flow	Fair Value changes	Current / Non Current classification	As at 31st March, 2019
Borrowing - Non Current	-	100.00	-	-	100.00
Borrowing - Current	1,736.77	1,438.24	-	-	298.54

4 Figures in the Bracket are outflows / deductions.

5 Figures of the previous year have been regouped / rearranged wherever necessary to make it comparable to the current year presentation.

As per our Report of even date
For SGDG & ASSOCIATES LLP
Chartered Accountants
Firm Registration Number: W100188

SHARAD GUPTA
Partner
Membership Number: 116560
Mumbai, Date : 25th April, 2019

For and on behalf of Board of Directors
ATUL C. CHOKSEY Chairman (DIN00002102)
ABHIRAJ A. CHOKSEY Managing Director (DIN00002120)
KAMLESH S. VIKAMSAY Director (DIN00059620)

ANAND V. KUMASHI Company Secretary
SURAJ S. BADALE Chief Financial Officer

Mumbai, Date : 25th April, 2019

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

A) EQUITY SHARE CAPITAL (₹ in Lakh)

	Note	Balance
Balance as at 1st April 2017		**1,036.90**
Less : Shares cancelled pursuant to effecting scheme of amalgamation of Saldhar Investments And Trading Company Private Limited with the company	16	(536.22)
Add : Shares allotted to shareholders of Saldhar Investments And Trading Company Private Limited pursuant to effecting scheme of amalgamation	16	536.22
Balance as at 31st March 2018		**1,036.90**
Changes in Equity Share Capital during the Year		-
Balance as at 31st March 2019		**1,036.90**

B) OTHER EQUITY (₹ in Lakh)

	Note	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earning	Total
Balance as at 1st April 2017	**17**	**4,963.73**	**0.32**	**2,599.95**	**4,732.22**	**8,958.73**	**21,254.94**
Profit for the year FY 17 -18		-	-	-	-	3,863.64	3,863.64
Other Comprehensive Income - Remeasurement of net defined benefits plan		-	-	-	-	(29.60)	(29.60)
Transfer from Reserve		-	-	-	400.00		400.00
Total Comprehensive Income for the year		4,963.73	0.32	2,599.95	5,132.22	12,792.77	25,488.99
Dividend on Equity Shares for the FY 2016-17		-	-	-	-	(456.29)	(456.29)
Dividend distribution tax		-	-	-	-	(189.98)	(189.98)
Transfer to Reserve		-	-	-	-	(400.00)	(400.00)
Reserve Fund as per Sec.45(IC)(i) of the RBI Act,1934 taken over in Merger of Saldhar Investment & Trading Company Private Limited		-	-	-	90.00	-	90.00
Merger Adjustment		(593.53)	-	-	-	(90.00)	(683.53)
Share Issue Expenses		-	-	-	-	(247.41)	(247.41)
Balance as at 31st March 2018	**17**	**4,370.20**	**0.32**	**2,599.95**	**5,222.22**	**11,409.10**	**23,601.80**
Profit for the year FY 18 -19		-	-	-	-	4,660.48	4,660.48
Other Comprehensive Income - Remeasurement of net defined benefits plan		-	-	-	-	(23.92)	(23.92)
Total Comprehensive Income for the year		4,370.20	0.32	2,599.95	5,222.22	16,045.65	28,238.34
Dividend on Equity Shares for the FY 2017-18		-	-	-	-	(1,244.28)	(1,244.28)
Dividend Distribution Tax		-	-	-	-	(255.77)	(255.77)
Balance as at 31st March 2019	**17**	**4,370.20**	**0.32**	**2,599.95**	**5,222.22**	**14,545.61**	**26,738.29**
The accompanying notes 1 to 48 are an integral part of these financial statement							

Nature and purpose of reserves :

(a) Capital Reserve : During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

(b) Capital Redemption Reserve : The Company has recognized Capital Redemption Reserve on buyback of equity shares from its retained earning. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

(c) Securities Premium : The amount received in excess of face value of the equity shares is recognized in Securities Premium. In case of equity based (settled) payment transactions,the difference between fair value on grant date and nominal value of share is accounted as securities premium.

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31ST MARCH, 2019 (Cont....)

(d) General Reserve : The General Reserve is used from time to time to record transfer of profit from retained earning, for appropriation purposes. As general reserve is created by transfer of one component of equity to another and it is not an item of other comprehensive income, it will not be reclassified subsequently to Profit or Loss.

(e) Retained Earning : Retained Earning are the profits that the Company has earned till date,less any transfers to general reserve, dividends or other distributions paid to shareholders

As per our Report of even date
For SGDG & ASSOCIATES LLP
Chartered Accountants
Firm Registration Number: W100188

SHARAD GUPTA
Partner
Membership Number: 116560
Mumbai, Date : 25th April, 2019

For and on behalf of Board of Directors

ATUL C. CHOKSEY	Chairman (DIN00002102)
ABHIRAJ A. CHOKSEY	Managing Director (DIN00002120)
KAMLESH S. VIKAMSAY	Director (DIN00059620)
ANAND V. KUMASHI	Company Secretary
SURAJ S. BADALE	Chief Financial Officer

Mumbai, Date : 25th April, 2019

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NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

NOTE: 1

1.1 **COMPANY INFORMATION:**

Apcotex Industries Ltd. is one of the leading producers of Synthetic Lattices (VP Latex, Acrylic Latex, Nitrile Latex) and Synthetic Rubber (HSR, SBR) in India. The Company has one of the broadest ranges of products based on STYRENE – BUTADIENE CHEMISTRY available in the market today. Company's product range is used, among other applications, for TYRE CORD DIPPING, PAPER/PAPER BOARD COATING, CONCRETE MODIFICATION/WATER PROOFING, PAINT EMULSIONS, TEXTILE FINISHING etc. The various grades of Synthetic Rubber find application in products such as Footwear, Automotive components, V-belts, Conveyor belts and hoses. The Registered office of the company is situated at 49-53, Mahavir Centre, Sector 17, Vashi, Navi Mumbai 400703.

1.2 **BASIS OF PREPARATION**

These financial statement have been prepared in accordance with the Indian Accounting Standards(herein referred to as 'IND AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of Companies Act 2013, read with Companies (Indian Accounting Standards) Rules 2015 (as amended).

The financial statement have been prepared and presented under historical cost convention, on accrual and going concern basis of accounting except certain financial asset and liabilities that are measured at fair value at the end of each accounting period as stated in the accounting policies below. The Accounting policies are applied consistently in presenting these financial statement..

The classification of assets and liabilities of the Company into current or non-current is based on the criterion specified in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The financial statement are approved by the Audit Committee and Board of Directors at their meeting held on 25th April 2019. The Board of Directors of the Company have authorized to issue the financial statement as per decision taken in their meeting held on 25th April 2019.

Events after reporting period: The Board of Directors of the Company in their meeting held on 25th April 2019 has recommended a final dividend of ₹ 7.50/- per share for the year ended 31st March 2019 subject to approval of the shareholders.

(a) Functional and Presentation currency:

The financial statement are prepared in Indian Rupees, which is the Functional and Presentation currency for the Company.

(b) Use of Estimates:

The preparation of Financial Statement in accordance with IND AS requires use of estimates and assumptions for some items, which might have effect on their recognition and measurement in the Balance Sheet and statement of Profit and Loss. The actual amounts realized may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as Management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized, and if material, their effects are disclosed in the notes to financial statement.

Estimates and assumptions are required for:

i. **Useful life of PPE:**

Determination of estimated useful life of tangible assets and the assessments as to which components of cost may be capitalized. Useful life of tangible fixed assets is based on life prescribed in Schedule II of the Companies Act, 2013. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalized.

ii. **Recognition and measurement of defined benefit obligations:**

The obligation arising from the defined benefit plan is determined on basis of actuarial assumptions. Key actuarial assumptions include discount rate, salary escalation rate, attrition rate, and life expectancy. The discount rate is determined with reference to market yields at the end of reporting period on the government bonds.

iii. **Recognition of deferred tax assets:**

A deferred tax asset is recognized for all the deductible temporary differences to the extent that is probable that taxable profits will be available against which the deductible temporary difference can be utilized. The management assumes that taxable profits will be available while recognizing deferred tax assets.

iv. **Recognition and measurement of other provisions:**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources and on past experience and circumstances known at the Balance Sheet date. The actual outflow of resources at future date may vary from the figure included in other provisions.

v. **Discounting of long-term financial liabilities:**

All financial liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities, which are subsequently measured at accrued amortized cost, interest is accrued using the effective interest method.

vi. **Determining whether an arrangement contains a lease:**

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At the inception or an reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values. If the company concludes for a finance lease that it is impracticable to separate the payments reliably then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset; subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the Company's incremental borrowing rate. In case of operating lease, the Company treats all payments under the arrangement as lease payments.

vii. **Fair value of financial instruments:**

Derivatives are carried at fair value. Derivatives include Foreign Currency Forward Contracts and options. Fair value of Foreign Currency Forward Contracts is determined using the rates published by Reserve Bank of India / State Bank of India.

viii. **Current Vs. Non-Current classification:**

I. An asset is classified as current when it is:

1. Expected to be realized or intended to be sold or consumed in normal operating cycle
2. Held primarily for purpose of trading
3. Expected to be realized within twelve months after the reporting period or
4. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non – current

II. A liability is classified as current when it is:

1. Expected to be settled in normal operating cycle
2. Held primarily for purpose of trading
3. Due to be settled within twelve months after the reporting period or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non-current.

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

1.3 Significant accounting policies:

I. Property Plant and Equipment

a) Initial and subsequent recognition and CWIP:

Property Plant & Equipment are carried at the cost of acquisition or construction, less accumulated depreciation and accumulated impairment, if any. The cost of items of Property Plant & Equipment includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets. Know-how related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant asset heads.

Subsequent costs are included in the assets carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Capital work-in-progress comprises of the cost of fixed assets that are not ready for their intended use at the reporting date. Any gain or loss on de-recognition (calculated as difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the Statement of Profit and Loss when the asset is derecognized.

b) Depreciation and Amortization:

Depreciation is provided on a pro-rata basis on the straight-line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

c) Impairment:

The carrying amounts of the Company's tangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognized in the Statement of Profit and Loss in the period in which impairment takes place.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount not exceeding the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior accounting periods.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

II. Intangible Assets:

a) Initial and subsequent recognition:

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Separately purchased intangibles are initially measured at cost. Intangible assets acquired in a business combination are recognized at fair value at the acquisition date. Subsequently intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

The useful lives of intangible assets are assessed as either finite or infinite. Finite-life intangible assets are amortized on a straight-line basis over the period of their expected useful lives. Estimated useful lives of finite-life intangible assets is as follows:

Computer software – 3 years

b) Amortization:

The amortization period and the amortization method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

III. Investments property

a) Initial and subsequent recognition:

Investment properties are properties that are held to earn rentals and /or for capital appreciation (including property under construction for such purposes) and not occupied by the Company for its own use.

Investment properties are measured initially at cost, including transaction costs and net of recoverable taxes. The cost includes the cost of replacing parts and borrowing costs if recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

b) Depreciation:

Depreciation on Investment property, wherever applicable, is provided on straight line basis as per useful lives prescribed in Schedule II to Companies Act, 2013.

c) De-recognition:

Investment properties are derecognized either when they have been disposed of or when they are being occupied by the Company for its own use or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

IV. Inventories:

Inventories are valued at lower of Cost and Net Realizable Value.

The cost is determined as follows:

a) Raw and Packing Materials are valued at cost or market value, whichever is lower, computed on weighted average basis. The cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties and taxes, which are subsequently recoverable from the taxing authorities.

b) The finished goods inventory is valued at cost or net realizable value whichever is lower. Cost includes material cost, conversion, appropriate factory overheads, any tax or duties (as applicable) and other costs incurred in bringing the inventories to their present location and condition.

c) Work-in-Process is valued at material cost and cost of conversion appropriate to their location in the manufacturing cycle.

d) Stores, Spares and consumables are valued at cost, computed on FIFO basis. The cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties and taxes that are subsequently recoverable from the taxing authorities, if any.

Slow-moving and damaged, unserviceable stocks are adequately provided wherever considered necessary.

V. Cash and Cash Equivalents:

Cash and cash equivalents for the purposes of Cash Flow Statements includes cash in hand, deposits with banks and short term highly liquid investments, which are readily convertible into cash and have original maturities of three months or less and which are subject to an insignificant risk of changes in value.

VI. Non current Assets held for sale:

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met:

(i) decision has been made to sell

(ii) the assets are available for immediate sale in its present condition

(iii) the assets are being actively marketed

(iv) sale has been agreed or expected to be concluded within 12 months of the Balance Sheet date

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less cost to sell. Non-current assets held for sale are not depreciated or amortized.

VII. Borrowing costs:

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an qualifying asset (net of income earned on temporary deployment of funds) that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are charged to statement of profit and loss. Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing cost.

General Borrowing cost incurred in connection with qualifying assets is capitalized by applying the capitalization rate on the quantum of such borrowings utilized for such assets.

VIII. Revenue recognition:

Effective 1st April, 2018, the Company has adopted Ind AS 115 - Revenue from Contracts with Customers (Ind AS 115, the standard), using the cumulative effect method for transition. The adoption of the standard did not have any material impact to the financial statements.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes or other amounts collected from customers in its capacity as an agent. If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Dividend income is recognized in statement of profit and loss only when the right to receive payment is established, which is generally when shareholders approve dividend.

Export incentives receivable under Duty Drawback Scheme and MEIS are accounted on accrual basis.

Interest income is recognized using the effective interest rate (EIR) method.

Insurance claims are recognized post filing of the claim with the insurer.

IX. Foreign Currency Transactions:

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currencies at the year end are re-measured at the exchange rate prevailing on the balance sheet date. Non-monetary foreign currency items are carried at cost. Any income or expense on account of exchange difference either on settlement or on restatement is recognized in the Statement of Profit and Loss.

The Exchange Rate Difference and the forward premium on the loan taken for capital assets are being capitalized along with Interest till the date of commissioning of the said capital assets.

X. Employee benefits:

a) Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

b) Long term employee benefits:

i) Defined contribution plans:

Contributions to defined contribution schemes such as employees state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution is made to a government administered fund and is charges as an expense in the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

ii) Defined benefit plans:

The Company operates a defined benefit gratuity plan, which required contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognized immediately, in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- the date of the plan amendment or curtailment or

- the date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net definedliability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of Profit and Loss:

- service costs comprising current service costs, pasts service costs, gains and losses on curtailments and non-routine settlements.

- Net Interest expense or income.

c) Termination benefits:

Termination benefits in the nature of voluntary retirement benefits or termination benefits arising from restructuring are recognized in the Statement of Profit or Loss. The Company recognizes termination benefits at the earlier of the following dates:

- when the Company can no longer withdraw the offer of these benefits

- when the company recognizes costs for restructuring that is within the scope of IND AS 37 and involves the payment of termination benefits.

XI. Fair Value Measurement:

The Company measures financial instruments, such as derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability or

- in absence of principal market, in the most advantageous market for asset or liability. The principal or the most advantageous market should be accessible to the Company.

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

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

- Level 1 – Quoted market prices in active market for identical assets or liabilities.

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

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

For assets and liabilities that are recognized in the financial statement on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties, unquoted financial assets etc. Involvement of independent external valuers is decided upon annually by the Company. Further such valuation is done annually at the end of the financial year and the impact if any on account of such fair valuation is taken in the annual financial statement.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

XII. Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the contract lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

a) **Company as a lessee:** A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Operating lease payments are recognized as an expense in the Statement of profit and loss as per lease terms as such payments are structured to increase in line with expected general inflation.

b) **Company as a lessor:** Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized as revenues as per lease terms since such rentals are structured to increase in line with expected general inflation. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases.

XIII. Financial Instruments:

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

a) Financial Assets:

i) Initial recognition and measurement:

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets are recognized at fair value. In case of financial assets which are recognized at Fair Value through Profit and Loss (FVTPL), its transaction costs are recognized in the statement of profit and loss. In other cases, transaction costs are attributable to the acquisition value of the financial asset are added to the value of financial asset.

Financial assets are not reclassified subsequent to their recognition, except and if and in the period the Company changes its business model for managing financial assets.

ii) Subsequent measurement:

Financial assets are subsequently classified and measured at:

- Amortized cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI)

Investments in Debt Instruments:

A debt instrument is measured at amortized cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

a) Financial Assets measured at amortized cost:

Financial assets are measured at amortized cost when the asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the assets are such that they give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR). The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument. The losses from impairment are recognized in the statement of profit and loss.

b) Financial Assets measured at fair value through OCI (FVTOCI):

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

c) Financial Assets measured at fair value through profit and loss (FVTPL):

Financial Assets under this category are measured initially as well as at each reporting date at fair value, with all changes recognized in statement of profit and loss.

Investments in Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value. The Company may, on initial recognition, elect to measure the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis.

Fair value changes on an equity instrument is recognized as other income in the Statement of Profit and Loss unless the Company has elected to measure irrevocably such instrument at FVTOCI. Fair value changes excluding dividends, on an equity instrument measured at FVTOCI are recognized in OCI. Amounts recognized in OCI are not subsequently reclassified to the Statement of Profit and Loss even on the sale of investment. Dividend income on the investments in equity instruments are recognized as 'other income' in the Statement of Profit and Loss.

Investment in Subsidiary, Joint Venture and Associate

Investments in equity instruments of Subsidiaries are measured at costs. Provision for impairment loss on such investment is made only when there is a diminution in the value of investment which is other than temporary.

iii) Derecognition of Financial Assets:

A financial asset is derecognized only when the contractual rights to receive cash flows from the asset have expired or the Company has transferred the financial asset and substantially all the risks and rewards of ownership of the asset.

iv) Impairment of Financial Assets:

Expected Credit Losses (ECL) are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies simplified approach which requires lifetime ECL allowances to be recognized from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analyzed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk lifetime ECL is used.

The impairment losses and reversals are recognized in Statement of Profit and Loss.

b) Financial Liabilities:

i) Initial recognition and measurement:

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

ii) Subsequent measurement:

Financial liabilities are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Financial liabilities carried at fair value through profit or losses are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

Loans and borrowings:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit and loss when the liabilities are derecognized.

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

Fees paid for availing the loan facilities are recognized as transaction cost of the loans.

iii) Derecognition:

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

XIV. Derivatives:

The Company enters into various derivative financial instruments to manage its exposure to interest and foreign exchange rate risks, like foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognized at fair value on the date the derivative contracts are entered into and are subsequently re-measured to their fair value (Mark to Market) at the end of each reporting period. The resulting gain or loss is recognized in the Statement of profit and loss. Company does not designate any of its derivative instruments as hedge instruments. Derivatives are carried as financial assets when fair value is positive and as financial liabilities when the fair value is negative.

Transaction costs incurred for such derivative instruments are charged off to Statement of Profit and Loss on initial recognition.

XV. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

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

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

Contingent Assets are not recognized but disclosed in the Financial statement when economic inflow is probable.

XVI. Segment Information:

The Managing Director (MD) is designated as company's Chief Operating Decision Maker (CODM). The MD reviews the company's internal financial information for the purpose of evaluating performance and assigning resources to segments. The Company has determined the operating segment based on structure of reports reviewed by MD. The Company operates in a single primary business segment, i.e. Synthetic Lattices & Rubber.

XVII. Income taxes:

Income tax expense for the year comprises of current tax and deferred tax, recognized in the Statement of Profit and Loss, except to the extent it is relates to a business combination, or items recognized directly in equity or in other Comprehensive Income. Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates at the Balance Sheet date and any adjustment to taxes in respect of previous years. Interest income/expenses and penalties, if any, related to income tax are included in current tax expense.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. A deferred tax liability is recognized based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period.

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

Deferred tax assets deriving from carry forward of unused tax credits (including MAT) and unused tax losses are recognized to the extent that it is probable that future taxable profit will be available in future against which the deductible temporary differences, unused tax losses and credits can be utilized. Deferred tax relating to items recognized in other comprehensive income and directly in equity is recognized in correlation to the underlying transaction.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

XVIII. Research and Development:

Expenditure on research and development is charged to statement of profit and loss in the year in which it is incurred, with the exception of expenditure incurred in respect of major new products where the outcome of these projects is assessed as being reasonably certain as regards viability and technical feasibility. Such expenditure is capitalized and depreciated over useful life. Capital expenditure in respect of assets procured for conducting research activities are capitalized under respective heads of fixed assets. These assets are depreciated over their useful life.

XIX. Earnings per Share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

NOTES TO FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

NOTE 2 : NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

	Land-Freehold	Land-Leasehold	Buildings	Plant & Equipment	Furnitures & Office Equipments	Vehicles	Scientific Equipments	Electric & Pipe Fittings	Wind Turbine Generator	Total	Capital work in progress
Gross carrying amount:											
Balance as at 1st April, 2017	5.33	761.44	2,591.19	4,751.87	183.07	114.74	100.42	916.90	430.29	9,855.24	595.74
Additions	-	88.94	273.28	307.32	43.76	78.99	50.99	46.44	-	889.73	
Deductions	-	-	(572.90)	(177.49)	(61.76)	(12.81)	(1.55)	(0.19)	-	(826.70)	
Balance as at 31st March, 2018	5.33	850.38	2,291.58	4,881.70	165.07	180.92	149.85	963.15	430.29	9,918.26	912.42
Additions	-	-	327.28	338.23	80.77	45.97	24.02	52.17	-	868.44	
Transfer from Investment Property	-	-	32.69	-	-	-	-	-	-	32.69	
Deductions	(5.33)	(16.45)	(7.92)	(43.15)						(72.85)	
Balance as at 31st March, 2019	**-**	**833.93**	**2,643.63**	**5,176.78**	**245.84**	**226.89**	**173.87**	**1,015.32**	**430.29**	**10,746.55**	**2,116.73**
Accumulated Depreciation											
Balance as at 1st April, 2017	**-**	**9.79**	**123.17**	**740.81**	**42.26**	**(2.35)**	**17.92**	**184.30**	**26.51**	**1,142.40**	
Additions	-	10.82	136.33	712.93	41.29	27.13	19.20	208.39	26.51	1,182.60	
Deductions	-	-	(59.53)	(133.01)	(16.72)	(12.69)	(1.07)	(0.18)	-	(223.19)	
Balance as at 31st March, 2018	**-**	**20.61**	**199.96**	**1,320.73**	**66.83**	**12.09**	**36.06**	**392.52**	**53.01**	**2,101.81**	
Additions	-	11.32	126.35	613.19	37.81	30.54	18.33	270.56	26.52	1,134.61	
Transfer from Investment Property	-	-	21.42	-	-	-	-	-	-	21.42	
Deductions	-	(2.14)	(2.22)	(6.22)	-	-	-	-	-	(10.58)	
Balance as at 31st March, 2019	**-**	**29.80**	**345.51**	**1,927.71**	**104.63**	**42.63**	**54.38**	**663.07**	**79.53**	**3,247.26**	
Net carrying amount:											
Balance as at 31st March, 2018	5.33	829.77	2,091.62	3,560.97	98.25	168.83	113.80	570.63	377.28	7,816.46	912.42
Balance as at 31st March, 2019	**-**	**804.13**	**2,298.12**	**3,249.07**	**141.21**	**184.26**	**119.49**	**352.25**	**350.76**	**7,499.29**	**2,119.15**

Note:
The Company is in process of registering Title deeds of the following immovable property in the Company's name. This property was acquired on amalgamation of Apcotex Solution Pvt. Ltd. with the Company.

Type of Assets	Number of cases	Gross Block as at 31st March, 2019	Net Block as at 31st March, 2019	Remarks
Lease Hold Land	1	399.93	346.85	Company has received the allotment letter from GIDC. Company is in the process of transferring the title deeds.

NOTE 3: NON-CURRENT ASSETS
INVESTMENT PROPERTY

(₹ in Lakh)

	As at 31st March 2019	As at 31st March 2018
Buildings given on Operating Lease:		
Opening Gross Carrying Amount	**32.69**	32.69
Less : Transfer to PPE during the year	**(32.69)**	-
Closing Gross Carrying Amount	**-**	32.69
Less:		
Opening Accumulated Depreciation	**21.33**	20.97
Add: Depreciation for the year	**0.09**	0.37
Less :Transfer to Accumulated Depreciation - PPE during the year	**(21.42)**	-
Closing Accumulated Depreciation	**-**	21.33
Net Carrying Amount	**-**	11.36

	Year ended 31st March 2019	Year ended 31st March 2018
Information regarding income and expenditure of Investment property:		
Rental income derived from Investment Properties during the year	**10.93**	24.15
Direct operating expenses (including repairs and maintenance) generating rental income	**(1.72)**	(2.51)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	**-**	-
Profit arising from Investment Properties before depreciation and indirect expenses	**9.21**	21.64

Note:
The Company's Investment properties consisted of commercial property given on rental. The same have been transferred to PPE during the year.

NOTE 4: NON-CURRENT ASSETS
INTANGIBLE ASSETS

(₹ in Lakh)

	Computer Software	Total
Gross carrying amount		
Balance as at 1st April, 2017	100.98	100.98
Additions	1.95	1.95
Deductions	-	-
Balance as at 31st March, 2018	102.93	102.93
Additions	150.50	150.50
Deductions	-	-
Balance as at 31st March, 2019	**253.43**	**253.43**
Accumulated Amortization:		
Balance as at 1st April, 2017	35.15	35.15
Additions	31.28	31.28
Deductions	-	-
Balance as at 31st March, 2018	66.43	66.43
Additions	44.56	44.56
Deductions	-	-
Balance as at 31st March, 2019	**110.99**	**110.99**
Net carrying amount:		
Balance as at 31st March, 2018	36.50	36.50
Balance as at 31st March, 2019	**142.44**	**142.44**

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NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

NOTE 5: NON-CURRENT ASSETS -
FINANCIAL ASSETS -INVESTMENTS

(₹ in Lakh)

		As at 31st March 2019		As at 31st March 2018	
		Units	**Amount**	Units	Amount
A	**QUOTED INVESTMENTS**				
i)	**INVESTMENTS IN EQUITY INSTRUMENTS (at Fair Value Through Profit and Loss)**				
1	Asian Paints Ltd of the face value of Re. 1/- fully paid	**40,800**	**609.02**	40,800	457.12
2	Axis Bank of the face value of ₹ 2/- fully paid	**5,000**	**38.86**	5,000	25.53
3	United Phosphorous Ltd. of the face value of ₹ 2/- fully paid	**-**	**-**	15,700	114.65
4	Cadila Healthcare Ltd. of the face value of ₹ 5/- fully paid	**9,750**	**33.84**	12,450	47.04
5	Kotak Mahindra Bank of the face value of ₹ 5/- fully paid	**4,495**	**59.99**	8,575	89.85
6	Odisha Cement Ltd. of the face value of ₹ 2/- fully paid	**5,775**	**57.14**	4,875	140.11
7	Indusind Bank of the face value of ₹ 10/- fully paid	**6,175**	**109.92**	9,275	166.65
8	Raymond Ltd. of the face value of ₹ 10/- fully paid	**4,425**	**35.91**	-	0.00
9	PC Jewellers Ltd. of the face value of ₹ 10/- fully paid	**-**	**-**	14,525	46.51
10	ICICI Bank Ltd of the face value of ₹ 2/- fully paid	**28,665**	**114.80**	25,500	70.98
11	Havells India Ltd. of the face value of ₹ 1/- fully paid	**12,650**	**97.72**	19,025	92.81
12	Maruti Suzuki Ltd. of the face value of ₹ 5 /- fully paid	**600**	**40.04**	1,300	115.19
13	Aegis Logistics Ltd. of the face value of ₹1/- fully paid.	**29,225**	**59.39**	33,850	87.87
14	SUN TV Network Ltd. the face value of ₹ 5 /- fully paid.	**10,625**	**66.74**	15,750	133.65
15	Bajaj Finance Ltd. of the face value of ₹ 10/- fully paid	**1,425**	**43.11**	4,300	76.00
16	Indo Count Industries Ltd of the face value of ₹ 10/- fully paid	**37,400**	**18.21**	37,400	31.79
17	Balkrishna Industries Ltd. of the face value of ₹ 10/- fully paid	**4,125**	**41.06**	6,150	65.72
18	Bajaj Electrical Ltd. of the face value of ₹ 10/- fully paid	**10,025**	**55.95**	15,200	85.74
19	Sundram Fasteners Ltd. of the face value of ₹ 10/- fully paid	**7,675**	**43.48**	11,550	63.68
20	Bharti Airtel Ltd. of the face value of ₹ 10/- fully paid	**-**	**-**	11,550	46.05
21	Vedanta Ltd of the face value of ₹ 10/- fully paid	**23,325**	**43.02**	15,700	43.62
22	KEC International Ltd. of the face value of ₹ 2/- fully paid	**24,226**	**72.62**	37,856	147.540
23	Kalpataru Power Transmission Ltd. of the face value of ₹ 2/- fully paid	**21,400**	**100.57**	23,730	114.91
24	Kirloskar Ferroc Ind. Ltd.of the face value of ₹ 5/- fully paid	**-**	**-**	47,910	40.51
25	Ramco Cements Ltd. of the face value of ₹ 1/- fully paid	**6,162**	**45.35**	4,162	30.12
26	TV18 Broadcast Ltd. of the face value of ₹ 2/- fully paid	**48,830**	**17.33**	42,830	28.73
27	Federal Bank of the face value of ₹ 2/- fully paid	**66,351**	**64.00**	51,676	46.09
28	Simplex Infrastructures Ltd. of the face value of ₹ 2/- fully paid	**13,950**	**25.09**	18,725	99.39
29	Carborundum Universal Ltd. of the face value of ₹ 1 /- fully paid.	**20,000**	**82.07**	20,000	69.48
30	Tech Mahindra Ltd. of the face value of ₹ 5/- fully paid	**16,120**	**125.08**	23,310	148.88
31	Mahindra CIE Automotive Ltd. the face value of ₹10/- fully paid.	**24,925**	**58.45**	18,300	39.30
32	Gujarat GAS Ltd. of the face value of ₹ 2/- fully paid	**20,000**	**29.62**	4,000	33.32
33	Aditya Birla Fashion and Retail Ltd. of the face value of ₹ 10/- fully paid	**-**	**-**	16,587	25.02
34	Tata Communications Ltd of the face value of ₹ 10/- fully paid	**-**	**-**	7,130	44.21
35	Thomas Cook India Ltd. of the face value of ₹ 10/- fully paid	**-**	**-**	18,110	51.20
36	Container Corporation India Ltd. of the face value of ₹ 5/- fully paid	**9,537**	**50.10**	1,650	20.54
37	Kotak Mahindra Bank of the face value of ₹ 5/- fully paid	**5,325**	**71.06**	5,000	52.39

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

NOTE 5: NON-CURRENT ASSETS -
FINANCIAL ASSETS -INVESTMENTS (Contd...)

		As at 31st March 2019		As at 31st March 2018	
		Units	**Amount**	Units	Amount
38	Bajaj Auto Ltd. of the face value of ₹ 10/- fully paid	**1,175**	**34.21**	-	-
39	Mahindra and Mahindra Ltd. of the face value of ₹5/- fully paid	**11,590**	**78.11**	-	-
40	UPL Ltd. of the face value of ₹2/- fully paid	**10,325**	**99.00**	-	-
			2,520.83		**2992.22**
ii)	**INVESTMENTS IN MUTUAL FUNDS (at Fair Value Through Profit and Loss)**				
1	DHFL Pramerica GILD Fund (formerly known as DWS Gilt Fund - Growth)	**439,413**	**88.86**	439,413	83.49
2	SBI Bluechip Fund - Regular Plan (GR)	**377,890**	**148.17**	377,890	140.66
3	Mirae Assets India Opportunities Fund - Regular - Growth Plan	**483,041**	**247.18**	483,041	216.47
4	Kotak Select Focus Fund-Growth (Regular Plan)	**845,542**	**299.98**	845,542	269.03
5	IDFC Corporate Bond Regular Plan (G)	**1,846,045**	**234.96**	1,846,045	219.34
6	ICICI Prudential Income Opp Fund (G)	**862,150**	**221.97**	862,150	209.21
7	HDFC Corporate Debt Opp. Fund	**438,754**	**66.93**	438,754	63.23
8	DSP Black Rock Focus 25 Fund - Regular Plan - Growth	**410,367**	**94.65**	410,367	89.75
9	Kotak Medium Term Fund Regular Plan (GR)	**-**	**-**	761,740	109.88
10	Birla AIF - India Small and Mid Cap Gems Fund (GR)	**200,000**	**181.89**	200,000	195.42
11	Motilal Oswal AIF - Focussed Business Advantage Fund (GR)	**1,500,000**	**172.62**	1,500,000	157.66
12	BOI AXA Corporate Credit Spectrum Fund Reg Plan	**-**	**-**	1,178,236	157.28
13	Reliance Liquid Fund Treasury Plan Weekly Div Option			1,417	21.74
14	IDFC Ultra Short Term Plan Growth			265,267	65.32
			1,757.20		1,998.48
B	**UNQUOTED INVESTMENTS**				
i)	**INVESTMENTS IN EQUITY INSTRUMENTS (at Fair Value Through Profit and Loss)**				
1	Narmada Clean Tech Ltd. of ₹ 10/- each fully paid up	**247,500**	-	247,500	-
2	Bharuch Enviro Infrastructure Ltd. of ₹ 10/- each fully paid up	**1,751**	-	1,751	-
3	Kesoram Textile Mills Ltd. of the face value of ₹ 10/- fully paid	**300**	**-**	300	-
4	Computech International Ltd. of the face value of ₹ 5/- fully paid	**100**	**-**	100	-
5	Consortex Karl Doelitz (India) Ltd. of the face value of ₹ 10/- fully paid	**1,000**	**-**	1,000	-
6	Skylid Telecom Equipments Ltd. of the face value of ₹ 10/- fully paid	**1,000**	**-**	1,000	-
7	Cybele Paradise Pvt Ltd. of ₹ 10/- fully paid	**120,000**	**-**	120,000	**-**
	TOTAL INVESTMENTS	**-**	**4,278.03**	**-**	4,990.70
	Aggregate amount of quoted investments	**-**	**4,278.03**	**-**	4,990.70
	Aggregate amount of unquoted investments	**-**	**-**	**-**	-

Note :
All Equity instruments are valued at Fair Value through Profit and Loss for the year ended 31st March 2019 and 31st March 2018.

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NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

NOTE 6 : NON CURRENT ASSETS - CURRENT TAX ASSETS (NET)

(₹ in Lakh)

		As at 31st March, 2019	As at 31st March, 2018
i.	Income Tax paid against disputed liability	**208.33**	208.33
ii.	Advance payments of Income Tax (Net of Provisions)	**173.91**	445.75
	Total	**382.24**	654.08

NOTE 7: NON CURRENT ASSETS - OTHER NON-CURRENT ASSET

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
(i) Capital Advances		
Considered Good, Unsecured	**1,201.30**	-
	1,201.30	-
(ii) Advances other than capital advances		
a. Security Deposits		
Considered Good, Unsecured	**378.51**	522.85
	378.51	522.85
b. Other Advances		
i. Balance with Excise & Service Tax	**3.01**	11.96
ii. Excise Duty,Sales Tax etc under protest	**35.06**	35.06
iii. VAT Tax Refund Receivable*	**203.04**	361.15
Total	**1,820.91**	931.01

Note:
* As the Company is entitled for refund in monetary terms, the refund claimed towards VAT in states of Maharashtra & Gujarat (i.e. excess input tax credit over tax liabilty) as per extant provisions of MVAT & GVAT Act.

NOTE 8 : CURRENT ASSETS - INVENTORIES

(₹ in Lakh)

		As at 31st March, 2019	As at 31st March, 2018
i.	Raw Materials	**2,243.49**	2,627.58
ii.	Packing Materials	**69.74**	80.34
iii.	Stores and Spares	**457.87**	365.52
vi.	Finished Goods	**2,045.68**	1,856.97
	Total	**4,816.78**	4,930.41
Inventory includes:			
In Transit			
- Raw Materials		330.45	1,360.58
- Finished Goods		27.07	424.39
Note : Inventory is valued at cost or net realisable value whichever is lower			

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NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

NOTE 9 : CURRENT ASSETS - FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakh)

	As at 31st March, 2019		As at 31st March, 2018	
	Unit	**Amount**	Unit	Amount
Investment in Liquid Mutual Funds				
HDFC Cash Management Fund - Treasury Advantage Plan - Retail - Regular Plan - Weekly Dividend			13,968,657	1,423.41
IDFC Low Duration Fund - Daily Dividend - (Regular Plan)	**4,336,793**	**436.93**	11,150,872	1,123.66
Edelweiss Liquid Fund-Regular Plan Growth	**4,237**	**101.16**	-	-
Axis Liquid Fund Weekly Dividend Reinvestment	**2,272**	**22.81**	-	-
SBI Liquid Fund Direct Daily Dividend	**84**	**0.84**	-	-
HDFC Ultra Short Term Fund-Direct Weekly Dividend	**5,131,169**	**516.99**	-	-
Aditya Birla Sun Life Liquid Fund-Daily Dividend-Regular Plan	**263,612**	**264.25**	-	-
HDFC Low Duration Fund-Retail-Regular Plan-Weekly Dividend	**12,474,010**	**1,270.52**	-	-
Total	**22,212,177**	**2,613.50**	25,119,529	2,547.07

NOTE 10 : CURRENT ASSETS- FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
Trade Receivables:		
Trade Receivables Credit Impared	**396.86**	396.86
Less : Provision for Doubtful Debt / Credit Impaired	**(396.86)**	(396.86)
	-	**-**
(Unsecured unless otherwise stated)		
Considered good-Unsecured	**11,129.91**	9,834.54
Less : Provision for expected credit loss*	**(10.56)**	(10.19)
Total	**11,119.35**	9,824.35

Note:

* The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix, which takes into account historical credit loss experience. The expected credit loss (ECL) allowance is based on total receivables that are due and the rate given in provisional matrix. The provisional matrix at the end of the reporting period is as follows:

ECL %	**0.10**	0.10
Movement in ECL allowance (₹ Lakh)		
Balance at beginning of year	**10.19**	8.20
Movement	**0.36**	1.99
Balance at end of the year	**10.56**	10.19

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NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

NOTE 11 : CURRENT ASSETS- FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
Cash on hand	**8.73**	8.82
A.Balances with Banks:		
i. In current accounts	**341.04**	211.02
ii. EEFC	**220.45**	236.99
iii. Term Deposits with original maturity of less than three months	**-**	95.80
Total	**570.22**	552.64
Note:		
The above cash and bank balances have not been pledged		

NOTE 12 : CURRENT ASSETS- FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
Other Bank Balances		
Earmarked balances with banks:		
i. Margin money deposits	**340.29**	92.42
ii. Unpaid dividend*	**95.92**	82.23
Total	**436.21**	174.65
Note:		
* No amounts due to Investor Education & Protection Fund		

NOTE 13 : CURRENT ASSETS- FINANCIAL ASSETS - LOANS

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
Considered good, Unsecured		
Loans to Employees	**24.69**	30.45
Total	**24.69**	30.45

NOTE 14 : CURRENT ASSETS- FINANCIAL ASSETS - OTHERS

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
Considered good, Unsecured		
Interest Receivable	**18.28**	21.61
Discount Receivable	**359.16**	328.91
Receivable towards services provided	**24.11**	66.33
Total	**401.55**	416.86

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NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

NOTE 15 : CURRENT ASSETS-
OTHER CURRENT ASSETS

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
Considered good, Unsecured		
Advances to vendors	**1,274.03**	186.59
GST Receivable	**117.74**	353.81
Advance to employees	**14.31**	5.23
Octroi Receivable	**-**	0.62
Export benefits receivable	**33.75**	19.27
Excise Duty Refund(Exports)	**-**	1.95
Other Receivable	**38.30**	4.53
Total	**1,478.13**	572.00

NOTE 16 : EQUITY-
EQUITY SHARE CAPITAL

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
Authorised		
6,31,60,000 Equity Shares of ₹ 5/- each (6,31,60,000 Equity Shares of ₹ 5/-each)	**3,158.00**	3,158.00
500 Preference Shares of ₹100/- each (500 Preference Shares of ₹100/- each)	**0.50**	0.50
50,000 Unclassified Shares of ₹ 5/- each (50,000 Unclassified Shares of ₹ 5/- each)	**2.50**	2.50
	3,161.00	3,161.00
Issued, Subscribed and Paid up capital		
2,07,37,984 Equity Shares of ₹ 5/- each fully paid (2,07,37,984 Equity Shares of ₹ 5/-)	**1,036.90**	1,036.90
Total	**1,036.90**	1,036.90

a) Reconciliation of the number of shares

Equity Shares :	**As at 31st March, 2019**		As at 31st March,2018	
	Number of Shares	**Amount (₹ in Lakh)**	Number of Shares	Amount **(₹ in Lakh)**
Balance as at the beginning of the year	**20,737,984**	**1,036.90**	20,737,984	1,036.90
Less : Shares cancelled pursuant to effecting scheme of amalgamation of Saldhar Investments and Trading Company Private Limited with the company	**-**	**-**	-10,724,300	-536.22
Add : Shares allotted to shareholders of Saldhar Investments And Trading Company Private Limited pursuant to effecting scheme of amalgamation	**-**	**-**	10,724,300	536.22
Balance as at the end of the year	**20,737,984**	**1,036.90**	20,737,984	1,036.90

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b) Shareholders holding more than 5% shares in the company

Shares held by:	As at 31st March, 2019		As at 31st March,2018	
	Number of Shares	% Holding	Number of Shares	% Holding
Atul Choksey	**3,110,700**	**15.00**	31,10,700	15.00
Parul Atul Choksey	**2,911,761**	**14.04**	29,11,761	14.04
Abhiraj Choksey (including Abhiraj Choksey HUF)	**2,710,287**	**13.07**	27,10,287	13.07
Devanshi Anant Veer Jalan	**2,281,178**	**11.00**	22,81,178	11.00

Note:
* Pursuant to approval of Scheme of Amalgamation between Saldhar Investments and Trading Company Private Limited (Saldhar) with the Company as approved by the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated 1st February 2018, which was made effective from 13th February 2018, 10,724,300 equity shares of ₹ 5 each fully paid up held by Saldhar were cancelled and the same no. of shares were allotted to the shareholders of Saldhar in the proportion of their holding in Saldhar in the Board Meeting held on 24th February 2018.

c) Rights, Preference & Restrictions attached to Equity Shares
The Company has one class of share having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

NOTE 17 : EQUITY-

OTHER EQUITY

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
Capital Reserve	**4,370.20**	4,370.20
Capital Redemption Reserve	**0.32**	0.32
Securities Premium	**2,599.95**	2,599.95
General Reserve	**5,222.22**	5,222.22
Retained Earning	**14,545.61**	11,409.10
Total	**26,738.29**	23,601.80

Note:
Refer Statement of Changes in Equity for detailed breakup.

Nature and purpose of Reserve

(a) Capital Reserve : During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

(b) Capital Redemption Reserve : The Company has recognized Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

(c) Securities Premium : The amount received in excess of face value of the equity shares is recognized in Securities Premium. In case of equity based (settled) payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.

(d) General Reserve : The General Reserve is used from time to time to record transfer of profit from retained earning, for appropriation purposes. As general reserve is created by transfer of one component of equity to another and it is not an item of other comprehensive income, it will not be reclassified subsequently to Profit or Loss.

(e) Retained Earning : Retained earning are the profits that the Company has earned till date,less any transfers to general reserve , dividends or other distributions paid to shareholders.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

NOTE 18 : NON CURRENT LIABILITIES-
FINANCIAL LIABILITIES- TERM LOAN

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
Term Loan from Bank-Secured	**100.00**	-
Total	**100.00**	**-**

Note :
Term Loans from banks is secured by first parri passu charge over moveable fixed assets (Plant and Machinery) and immovable fixed assets (Factory Land and Building) on the plant located at Taloja Maharashtra. The credit facilities availed by the Company carry interest in the range of 8.00 % p.a. to 10.00% p.a. Term Loan is repayable in quarterly installments from the year from F.Y 2020-21 over a period of 4 years.

NOTE 19 : NON CURRENT LIABILITIES-
FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
Security Deposits	**345.61**	298.66
Total	**345.61**	298.66

NOTE 20 : NON CURRENT LIABILITIES -
PROVISIONS

(₹ in Lakh)

Employee Benefit Obligations	**As at 31st March, 2019**	As at 31st March, 2018
Compensated absences	**276.13**	219.64
Total	**276.13**	219.64
Note:		
Details of provisions for Compensated absences		
Opening balance - Long Term	**219.64**	178.76
Opening balance - Short Term	**35.24**	26.71
Add: Provision made during year	**77.97**	60.43
Less: Utilisation during the year	**12.66**	11.02
Closing Balance - Long Term	**276.13**	219.64
Closing Balance - Short Term	**44.05**	35.24

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NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

NOTE 21 : NON CURRENT ASSETS- DEFERRED TAX (NET)

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
Deferred tax liabilities		
Depreciation on Fixed Assets (other than Scientific Research Assets)	**531.21**	609.42
Depreciation on Scientific Research Assets	**26.34**	22.85
Unrealised Long Term Capital Gain	**10.32**	-
Total deferred tax liabilities	**567.87**	632.27
Deferred tax assets		
Provision for doubtful debts	**138.66**	137.35
Provision for leave encashment & gratuity	**112.06**	112.29
Provision for bonus	**34.87**	33.18
Expenditure allowed on payment basis	**53.86**	61.35
Amalgamation Expenses	**91.91**	107.25
Total deferred tax assets	**431.37**	451.42
Net Deferred tax liability/(assets)	**136.50**	180.85

Note:
Unused tax credits: In line with returns filed and assessment orders received, tax credit (MAT) recognized and utilized during the year ₹ 824.66 Lakh

NOTE 22 : CURRENT LIABILITIES- FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
Secured Loans		
Working Capital Loans		
Cash Credit facilities from Banks*	**298.54**	1,736.77
Total	**298.54**	1,736.77

Note:
* Cash Credit and Working Capital Demand Loans from banks are secured by hypothecation of Inventories, Account Receivables on parri passu basis and exclusive charge on land and building and second parri passu charge on plant and machinery. The credit facilities availed by the Company carry interest in the range of 8.00 % p.a. to 10 % p.a.

NOTE 23 : CURRENT LIABILITIES- FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
Outstanding dues of Micro Enterprises and Small Enterprises	**332.13**	117.14
Outstanding dues of Creditors other than Micro Entreprises and Small Enterprises	**4,923.92**	4,691.76
Total	**5,256.05**	4,808.90

Note:

i. Dues to micro enterprises and small enterprises

Micro & Small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Sundry creditors include total outstanding dues of micro enterprises and small enterprises amounting to ₹ **332.13 lakh** (Previous Year: ₹117.14 lakh). The disclosure pursuant to MSMED Act based on the books of account is as under:

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
Principal amount due and remaining unpaid	**332.13**	117.14
Interest due on above and the unpaid interest	**0.32**	2.16
Interest paid in terms of Section 16 of MSMED Act	**0.12**	2.04
Amount of payments made to supplier beyond the appointed day	**-**	167.98
Amount of interest due and payable for the period of delay on payment made beyond the appointed day during the year without adding interest specified under MSMED Act,2006	**-**	-
Amount of Interest accrued and remaining unpaid	**0.32**	0.12
Amount of further interest remaining due and payable in succeeding years for the purpose of disallowance under section 23 of the MSMED Act,2006	**-**	-

NOTE 24 : CURRENT LIABILITIES-
FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
Interest accrued but not due on borrowings	**-**	10.74
Unpaid/Unclaimed Dividend*	**95.92**	82.23
Unclaimed Fixed Deposits and Interest thereon	**0.70**	0.70
Other Liabilities:		
(i) Payable for Expenses	**2,202.32**	1,388.19
(ii) Payable for capital goods	**51.27**	74.98
(iii) Commission to Non Executive Directors	**62.00**	53.67
Total	**2,412.21**	1,610.53

Note:

* No amounts are due and payable to Investor Education & Protection Fund

NOTE 25 : CURRENT LIABILITIES -
PROVISIONS

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
Employee Benefit Obligations:		
Compensated absences	**44.05**	35.24
Total	**44.05**	35.24

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NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

NOTE 26 : CURRENT LIABILITIES - OTHER CURRENT LIABILITIES

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
Statutory Liabilities :		
(i) Service Tax	**177.10**	177.10
(ii) TDS under Income Tax	**53.59**	53.57
(iii) Provident Fund, Profession Tax and ESIC	**25.06**	21.12
(iv) GST Payable	**-**	57.83
Payable to Employees :		
(i) Salaries and Wages	**211.36**	198.36
(ii) Bonus	**99.79**	96.13
(iii) Incentives	**121.79**	122.76
(iv) Gratuity	**106.38**	69.59
(v) Others	**263.14**	75.20
Total	**1,058.21**	871.67

NOTE 27 : REVENUE FROM OPERATIONS

(₹ in Lakh)

	For the Year Ended 31st Mar 2019	For the year Ended 31st March, 2018
Sale of Products* (including excise duty)		
Domestic	**55,135.69**	45,985.39
Exports	**7,171.94**	7,650.44
Total Sale of Products	**62,307.63**	53,635.82
Other Operating Revenue :		
Export Incentives	**157.18**	121.78
Scrap Sales	**101.84**	64.28
Others	**-**	2.92
	259.02	188.98
Total Revenue from Operations	**62,566.65**	53,824.80

* Sale of Products is after providing discounts & commissions directly related to sales:		
Sale of Products		
Domestic	**55,173.61**	46,110.04
Exports	**7,171.94**	7,650.44
Total	**62,345.55**	**53,760.48**
Less : Sales Discount & Rebates	**(37.92)**	(95.55)
Commission	**-**	(29.11)
Domestic	**55,135.69**	45,985.39
Exports	**7,171.94**	7,650.44
Total Sale of Products	**62,307.63**	53,635.82

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NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

NOTE 28 : OTHER INCOME

(₹ in Lakh)

	For the Year Ended 31st Mar 2019	For the year Ended 31st March, 2018
Interest Income on:		
Bank Deposits	**128.16**	30.14
Dividend Income from Investments	**105.07**	66.01
Income from Rent	**44.46**	55.07
Other Income	**69.76**	6.59
Foreign Exchange Fluctation difference	**219.87**	65.17
Net Gain/(Loss) on sale of investments	**(17.69)**	(81.37)
Net Gain/(Loss) on financial assets measured at Fair Value through Profit and Loss	**219.37**	571.79
Total	**769.00**	**713.41**

NOTE 29A : COST OF MATERIALS CONSUMED

(₹ in Lakh)

	For the Year Ended 31st Mar 2019	For the year Ended 31st March, 2018
Raw Materials Consumed		
Opening Stock	**2,627.59**	2,119.71
Add : Purchases	**42,716.88**	35,193.54
	45,344.47	37,313.25
Less : Sale of Raw Materials	**(17.11)**	-
Less : Closing Stock Raw Materials	**(2,243.49)**	(2,627.59)
	43,083.87	34,685.66
Packing Materials Consumed		
Opening Stock	**80.34**	73.36
Add : Purchases	**1,395.18**	1,262.82
	1,475.52	1,336.19
Less : Closing Stock Packing Materials	**(69.74)**	(80.34)
	1,405.78	1,255.85
Total	**44,489.65**	35,941.51

NOTE 29B : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE, WORK IN PROGRESS

(₹ in Lakh)

	For the Year Ended 31st Mar 2019	For the year Ended 31st March, 2018
Opening Inventories		
Finished Goods	**1,856.97**	1,955.22
Work In Progress	**-**	18.43
Total (A)	**1,856.97**	1,973.66
Closing Inventories		
Finished Goods	**2,045.68**	1,856.97
Work In Progress	**-**	-
Total (B)	**2,045.68**	1,856.97
Total (B-A)	**(188.70)**	116.68

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NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

NOTE 30 : EMPLOYEE BENEFIT EXPENSE

(₹ in Lakh)

	For the Year Ended 31st Mar 2019	For the year Ended 31st March, 2018
Salaries,Wages,Allowances and Bonus	**2,924.73**	2,603.11
Wages and allowances to Contract Labour	**554.81**	482.71
Contribution to Provident Funds and Other funds	**191.32**	156.14
Workmen and staff welfare expenses	**158.36**	141.45
Total	**3,829.22**	3,383.42

NOTE 31 : FINANCE COST

(₹ in Lakh)

	For the Year Ended 31st Mar 2019	For the year Ended 31st March, 2018
Interest Expense on cash credit and others	**155.60**	134.99
Other Finance Cost	**24.71**	21.99
Total	**180.30**	156.98

NOTE 32 : DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in Lakh)

	For the Year Ended 31st Mar 2019	For the year Ended 31st March, 2018
Depreciation on Property, Plant and Equipment	**1,134.61**	1,182.60
Depreciation on Investment Property	**0.09**	0.37
Amortization on intangible assets	**44.56**	31.28
Total	**1,179.26**	1,214.24

NOTE 33 : OTHER EXPENSES

(₹ in Lakh)

	For the Year Ended 31st Mar 2019	For the year Ended 31st March, 2018
Stores and Spares consumed	**332.41**	316.93
Power and fuel	**2,777.39**	2,348.12
Repairs and Maintenance :		
(i) Buildings	**153.57**	363.17
(ii) Machinery	**324.81**	123.26
(iii) Other Assets	**47.35**	181.02
Rent	**94.76**	54.95
Rates and Taxes	**42.48**	77.72
Water Charges	**144.05**	129.63
Insurance	**71.80**	60.88
Freight and transport charges	**1,235.42**	1,071.43
Advertisement	**45.17**	24.19
Printing, Stationary, & Communication charges	**101.54**	86.06
Travelling Expenses:		
(i) Directors Travelling Expenses	**86.17**	112.12
(ii) Others Travelling Expenses	**338.53**	298.68

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NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

NOTE 33 : OTHER EXPENSES (Contd...)

(₹ in Lakh)

	For the Year Ended 31st Mar 2019	For the year Ended 31st March, 2018
Commission on sales	**187.28**	191.99
Loss on sale of Fixed Assets	**0.74**	39.78
Fixed Assets Written off	**21.51**	47.37
Provision / ECL for Bad & Doubtful Debts	**(0.04)**	20.96
Donation	**0.27**	30.34
Bank Charges	**169.60**	117.58
Miscellaneous expenses	**1,089.10**	764.60
Corporate Social Responsibility expenses (Refer Note 33.2)	**81.51**	63.87
Loss on Financial Assets measured at Fair Value through Profit and Loss	**-**	24.93
Commission to Non Executive Directors	**62.00**	53.67
Directors' meeting fees	**11.55**	10.00
Auditors Remuneration (Refer Note 33.1)	**12.33**	13.31
Professional Fees	**247.21**	203.93
Excess Provision written back	**0.40**	(32.90)
Total	**7,678.91**	6,797.58

NOTE 33.1: BREAKUP OF AUDITORS REMUNERATION :

(₹ in Lakh)

	For the Year Ended 31st Mar 2019	For the year Ended 31st March, 2018
Auditor's remuneration and expenses:		
Statutory audit fees:	**11.63**	11.50
Fees for other audit related services:		
Fees for certification and other services	**0.11**	1.43
Reimbursement of out of pocket expenses	**0.59**	0.37
Total	**12.33**	13.31

NOTE 33.2 : CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE (CSR)

The Company was required to spend an amount of ₹ 74.51 Lakh (Previous Year ₹ 60.33 Lakh) being 2% of the average net profits of the three immediately preceding financial years on CSR as per the provisions of section 135 of the Companies Act, 2013. The Company has during the year spent ₹ 81.51 Lakh.

(₹ in Lakh)

Details of amount spent during the year	For the Year Ended 31st Mar 2019	For the year Ended 31st March, 2018
(i) Construction / Acquisition of any Asset	-	-
(ii) On purposes other than (i) above	**81.51**	63.87
Total	**81.51**	63.87
Yet to be spent	-	-
Total	**81.51**	63.87

NOTE 34 : EXCEPTIONAL ITEMS

(₹ in Lakh)

	For the Year Ended 31st Mar 2019	For the year Ended 31st March, 2018
Merger expenses	**-**	143.40
Total	**-**	**143.40**

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

NOTE 35: INCOME TAX EXPENSES

(₹ in Lakh)

	For the Year Ended 31st Mar 2019	For the year Ended 31st March, 2018
a) Income Tax expense		
Current Tax		
Current Tax on profits for the year	**2,081.00**	1,860.00
Income tax for earlier years	**281.75**	-
Total current tax expense	**2,362.75**	1,860.00
Deferred Tax		
(Decrease)/Increase in deferred tax liabilities	**(856.22)**	(146.09)
Total deferred tax expense/(benefit)	**(856.22)**	(146.09)
Income Tax expense	**1,506.52**	1,713.91

NOTE 36: EARNINGS PER SHARE

(₹ in Lakh)

	For the Year Ended 31st Mar 2019	For the year Ended 31st March, 2018
Profit after Tax as per statement of profit and loss (₹ in Lakh)	**4,660.48**	3,863.64
Weighted average number of equity shares used as the denominator in calculating Basic and Diluted earnings per share	**20,737,984**	20,737,984
Basic & Diluted earnings per share attributable to equity share holders of the company (Face value-₹5 per share)	**22.47**	18.63

NOTE 37(a) : CONTINGENT LIABILITIES

(₹ in Lakh)

	For the Year Ended 31st Mar 2019	For the year Ended 31st March, 2018
Disputed tax demands / claims		
Income tax	**588.76**	588.76
Service tax	**242.76**	109.20
Excise duty	**1.72**	1.96
Customs duty	**142.09**	142.09
Profession Tax	**3.19**	3.19
Open Letters of Credit	**3,110.34**	1,484.58
Bank guarantee	**2,305.00**	1,005.00

Notes:

i. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above contingent liabilities pending resolution of the respective proceedings, as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

ii. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statement. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

iii. Income tax liability is in respect of certain disallowances/transfer pricing adjustments by Income tax authorities and is in respect of certain disallowances for R & D by Income tax authorities, both disputed by the Company.

iv. Customs authorities have raised vide notice dated 22-07-2005 a demand and penalty of ₹ 142.09 Lakh each for a dispute regarding high seas sale. The Company has paid the demand of ₹ 142.09 Lakh in the FY 2011-12 and has claimed as deduction in the FY 2011-12. Balance penalty of ₹ 142.09 has been disclosed as contingent.

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NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

NOTE 37(b) : CAPITAL COMMITMENTS

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
Estimated amounts of contracts remaining to be executed on capital account and not provided for	1,138.86	279.96

NOTE 38: RESEARCH AND DEVELOPMENT EXPENDITURE

(₹ in Lakh)

	For the Year Ended 31st Mar 2019	For the year Ended 31st March, 2018
Capital Expenditure	**23.69**	50.99
Revenue Expenditure (Refer details below)	**335.77**	298.79
Total	**359.46**	349.78
Total revenue expenditure on Research and Development (R & D) eligible for weighted deduction under section 35 (2AB) of the Income Tax Act, 1961 aggregated to ₹ **335.77 lakh** (FY 2017-18 ₹ 298.79 lakh). The details are as below:		
Revenue expenditure eligible u/s 35 (2AB):		
Salaries & Wages	**281.37**	245.46
Materials, consumable and spares	**33.33**	6.36
Utilities	**5.12**	1.80
Other expenditure directly related to R & D	**15.95**	45.17
Total	**335.77**	298.79

NOTE 39 : PURSUANT TO IND AS 17 - LEASES,THE FOLLOWING INFORMATION IS DISCLOSED :

(₹ in Lakh)

	For the Year Ended 31st Mar 2019	For the year ended 31st March, 2018
The company has taken certain assets such as vehicle and office premises on operating lease. These rentals are payable by the company on a monthly basis.		
Lease rental payments recognized in statement of Profit and Loss	**70.03**	55.91
Future minimum lease rental payable as per the lease agreements:		
Not later than one year	**7.72**	83.15
Later than one year but not more than five years	**1.26**	123.13

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NOTE 40 : DETAILS ON DERIVATIVES INSTRUMENTS AND UN-HEDGED FOREIGN CURRENCY EXPOSURES:

(i) **Exposure in foreign currency- hedged:**

The company enters into forward exchange contracts to hedge against its foreign currency exposures relating to transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes.

(₹ in Lakh)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Purchase	Sales	Purchase	Sales
Total number of contracts outstanding	**3**	**-**	5	-
USD	**1,497,250**	**-**	2,327,352	-
INR Equivalent (₹ in Lac)	**1,047.23**	**-**	1,522.52	-

(ii) **Exposure in foreign currency - unhedged:**

The Foreign Currency (FC) Exposures not hedged as at 31st March 2019 are as under :

(₹ in Lakh)

Particulars	**As at 31st March 2019**		As at 31st March 2018	
	Foreign Currency	**₹ in Lakh**	**Foreign Currency**	₹ in Lakh
Trade and Other Payables (in USD)	**4,23,652**	**293.05**	6,42,556	418.38
Trade and Other Payables (in EURO)	**-**	**-**	41,184	33.20
Trade and Other Payables (in GBP)	**324**	**0.29**	33,152	30.59
Trade Receivables (in USD)	**9,68,628**	**670.01**	1,304,087	848.23

NOTE 41 : SEGMENT REPORTING

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Managing Director of the Company. The CODM examines the company's performance from a geographical perspective and has identified two of its following business as identifiable segments:

a. India

b. Outside India.

The amount of the Company's revenue from external customer and Trade Receivable is shown in the table below:

(₹ in Lakh)

Particulars	**Revenue for the year ended 31st March, 2019**	**Trade Receivable as at 31st March,2019**	Revenue for the year ended 31st March, 2018	Trade Receivable as at 31st March, 2018
India	**55,173.61**	**10,428.87**	46,110.04	9,024.49
Outside India	**7,171.94**	**670.01**	7,650.44	848.23
Total	**62,345.55**	**11,098.88**	53,760.48	9,872.72

No Single Customer contributes 10% or more to the Company's revenue during the year ended 31st March 2019 and 31st March 2018.

NOTE 42 : RELATED PARTY TRANSACTION DISCLOSURES:

(I) **Disclosures under IND AS 24 on Related Party Transactions:**

A. **Names of Related Parties and nature of relationship:**

(Related Parties and the transactions with Related Parties are identified by the management and relied upon by Auditors).

(i) **Key Management Personnel and their relatives**

a) Atul Choksey - Chairman and Non-Executive Director

b) Abhiraj Choksey - Managing Director

c) Parul Atul Choksey - Relative of Chairman and Non-Executive Director

d) Y B Gadgil - Executive Director

e) Anand Kumashi - Company Secretary

f) Rohit Mahakal - Chief Financial Officer (Resigned w.e.f 31st December 2018)

(ii) **Non-Executive Directors and Independent Directors:**

a) Atul Choksey - Chairman and Non-Executive Director

b) Girish Choksey - Non Executive Director (Resigned w.e.f 28th March 2019)

c) Amit Choksey - Non Executive Director

d) Dr Sivaram - Independent Director
e) Manubhai Patel - Independent Director (Resigned w.e.f 18th June 2018)
f) Shailesh Vaidya - Independent Director
g) Kamlesh Vikamsey - Independent Director
h) Priyamvada Bhumkar - Independent Director
i) Udayan Choksi - Independent Director (Appointed w.e.f 27th July 2018)

(iii) **Entities in which some of the Directors are interested:**

a) Abhiraj Trading & Investments Pvt. Limited
b) Aeonian Investments Company Limited
c) Amisha Habitat Private Limited
d) Apco Enterprises LLP
e) Aquamarine Trading & Investments Pvt. Limited
f) Aquamarine Investment Managers LLP
g) Balasesh Leafin Limited
h) Bhuvantray Investments & Trading Co. Pvt. Limited
i) Choksey Chemical Pvt. Limited
j) Cons Holdings Limited
k) Jareepa Trading LLP
l) Gauriputra Investments & Trading Co. Pvt. Limited
m) Haridwar Enterprises LLP
n) HMP Mineral Pvt. Limited
o) Mazda Colours Limited
p) Colortek India Ltd
q) Sammelan Investments & Trading Limited
r) Shyamal Fin-vest (India) Limited
s) The Hindustan Mineral Products Co. Limited

B. **Transactions with Related Parties:**

(i) **Key Managerial Personnel Compensation:** **(₹ in Lakh)**

Short Term and Post-Employment Benefits	**Year 2018-19**	Year 2017-18
Remuneration		
Abhiraj A. Choksey - Managing Director	**101.70**	90.74
Y. B. Gadgil - Executive Director	**41.71**	36.82
Anand Kumashi - Company Secretary	**27.31**	25.26
Rohit Mahakal - Chief Financial Officer*	**13.59**	17.26
Total	**184.31**	170.08

*Resigned w.e.f from 31st December, 2018.

Key Managerial Personnel who are under the employment of the company are entitled to post-employment benefits and other long term employee benefits recognized as per Ind AS 19-'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

(ii) Transactions with other Related parties **(₹ in Lakh)**

Sr No	Particulars	Relationship	Year 2018-19	Year 2017-18
a.	**Sale of Goods** Choksey Chemicals Pvt. Ltd	Entities in which some of the Directors are interested	**101.07**	116.94
b.	**Rent Income** Aquamarine Investment Manager LLP	Entities in which some of the Directors are interested	**-**	0.35
c.	**Rent and Other expenses (Reimbursement)** Apco Enterprises LLP	Entities in which some of the Directors are interested	**9.97**	9.97
d.	**Reimbursement of Medical Expenses** Shri. Atul C. Choksey	Chairman and Non-Executive Director	**2.84**	2.68
e.	**Leasing of Premises and allied expenses** Parul Atul Choksey	Relative of Chairman and Non-Executive Director	**7.61**	-
f.	**Sitting Fees** Atul C. Choksey Other	Chairman and Non-Executive Director Non-Executive Directors and Independent Directors	**1.10** **10.45**	0.80 9.20
g.	**Commission paid during the year** Atul C.Choksey Other	Chairman and Non-Executive Director Non-Executive Directors and Independent Directors	**40.81** **12.50**	12.62 6.00
h.	**Outstanding as at 31st March** **Trade and Other Payable** Apco Enterprises LLP Abhiraj A. Choksey – Remuneration Payable **Trade and Other Receivable** Choksey Chemicals Pvt Ltd	Entities in which some of the Directors are interested Managing Director Entities in which some of the Directors are interested	**-** **3.60** **31.18**	12.88 2.11 39.59

NOTE 43 : EMPLOYEE BENEFIT

a) Contribution to Defined Contribution Plan

i) Employers Contribution to Provident Fund including contribution to Pension Fund amounting to ₹ 131.46 lakh (Previous Year – ₹ 116.78 lakh) has been included under Contribution to Provident and other Funds. (Refer Note – 30)

ii) Compensated absences

The Company provides for encasement of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encasement. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation.

iii) Superannuation

The Company makes contribution to Superannuation Scheme, a defined contribution scheme administered by Insurance Companies. The Company has no obligation to the scheme beyond its annual contribution.

b) Contribution to Defined Benefit Plans:

i) Gratuity:

The Company provides for gratuity as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. Amount of gratuity payable on retirement /termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service. The Company accounts for the liability for gratuity benefits payable in future based on actuarial valuation.

These plans typically expose the Company to actuarial risks such as, Investment risk, Interest rate risk, longevity risk, salary escalation rate risk etc.

a) Investment risk:

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

b) Interest rate risk:

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

c) Longevity risk:

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

d) Salary Escalation Rate risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of plan participants will increase the plans liability.

The following table sets out the status of the Gratuity Plan as required under IND AS 19.

The principal assumption used for the purposes of the actuarial valuation are as follows:

(₹ in Lakh)

Particulars	**As at 31st March 2019**	As at 31st March 2018
Discount Rate	**7.60 %**	7.85 %
Expected rate of salary increase	**7.75 %**	7.25 %

The amount included in the balance sheet arising from the company's obligation in respect of its defined benefit plans is as under:

(₹ in Lakh)

Particulars	**Gratuity (Funded Plan)**	
	As at 31st March 2019	As at 31st March 2018
Present value of defined benefit obligation	**652.38**	555.10
Fair value of plan assets	**546.01**	460.85
Net defined liability recognized in balance sheet	**106.37**	94.25

Amount recognized in profit and loss account in respect of these defined benefit plans are as follows:

(₹ in Lakh)

Particulars	**As at 31st March 2019**	As at 31st March 2018
Current Service Cost	**42.14**	33.76
Past Service Cost	**-**	24.33
Interest on net defined benefit liability/ (asset)	**3.47**	8.45
Components of defined benefit costs recognized in profit and loss account	**45.61**	66.54

Amount recognized in other comprehensive income in respect of these defined benefit plans are as follows:

(₹ in Lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gain) / loss arising from changes in financial assumptions	**35.65**	11.80
Actuarial (gain) / loss on demographic assumption	**(0.08)**	-
Actuarial (gain) / loss arising from experience adjustments	**4.06**	13.24
Actuarial (gain) / loss on plan assets	**(2.92)**	8.60
Components of defined benefit costs recognized in other comprehensive income	**36.71**	33.64

The movements of net liability / (asset) from the beginning to the end of the accounting period as recognized in the balance sheet of the Company are as follows:

(₹ in Lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Opening net defined benefit liability/ (asset)	**94.25**	140.95
Expenses charged to profit and loss account	**45.61**	66.54
Amounts recognized in Other Comprehensive Income	**36.71**	33.64
Employer contributions	**(70.20)**	(146.87)
Closing net defined liability / (asset)	**106.37**	94.25

Movements in the present value of the defined benefit obligation in the current year are as follows:

(₹ in Lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Opening of defined benefit obligation	**555.10**	460.56
Current Service cost	**42.14**	33.75
Past Service Cost	**-**	24.33
Interest on defined benefit obligation	**40.38**	32.07
Actuarial (gain) / loss arising from changes in financial assumptions	**35.65**	11.80
Actuarial (gain) / loss arising from changes in demographic assumptions	**(0.08)**	-
Actuarial (gain) / loss arising from experience adjustments	**4.06**	13.24
Benefits paid	**(24.87)**	(20.65)
Closing defined benefit obligation	**652.38**	555.10

Movement in fair value of the plan assets in the current year are as follows:

(₹ in Lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Opening fair value of plan assets	**460.85**	319.61
Employer Contributions	**70.20**	146.87
Interest on plan assets	**36.91**	23.61
Remeasurements due to Actual return on plan assets less interest on plan assets	**2.92**	(8.59)
Benefits paid	**(24.87)**	(20.65)
Closing fair value of plan assets	**546.01**	460.85

A split of plans asset between various asset classes as well as segregation between quoted and unquoted values is presented below:

(₹ in Lakh)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Quoted Value	**Non Quoted Value**	Quoted Value	Non Quoted Value
Insurer managed funds	**-**	**546.01**	-	460.85

The plan does not invest directly in any property occupied by the Company or in any financial securities issued by the Company.

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

The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in market scenario.

(₹ in Lakh)

Experience Adjustments	Year ended 31st March 2015	Year ended 31st March 2016	Year ended 31st March 2017	Year ended 31st March 2018	**Year ended 31st March 2019**
Defined Benefit Obligations	(192.30)	(222.01)	(460.56)	(555.1)	**(652.38)**
Plan Assets	164.45	199.89	319.61	460.85	**546.01**
Surplus / (Deficit)	(27.85)	(22.12)	(140.95)	(94.25)	**(106.37)**

Maturity Analysis of Projected Benefit Obligation: From the fund projected benefits payable in future years from the date of reporting:

Maturity profile	**₹ in Lakh**
Expected benefits for year 1	96.09
Expected benefits for year 2	79.55
Expected benefits for year 3	25.39
Expected benefits for year 4	26.52
Expected benefits for year 5	56.57
Expected benefits for year 6	76.69
Expected benefits for year 7	99.08
Expected benefits for year 8	60.88
Expected benefits for year 9	87.03
Expected benefits for year 10 and above	774.75

Sensitivity Analysis

(₹ in Lakh)

	Period Ended 31st March 2019	
	Discount Rate	**Salary Escalation Rate**
Defined benefit obligation on increase in 50 bps	628.00	677.53
Impact of increase in 50 bps in DBO	(3.74%)	3.86%
Defined benefit obligation on decrease in 50 bps	678.48	628.38
Impact of decrease in 50 bps in DBO	4%	(3.68%)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

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NOTE 44 : FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks i.e. Liquidity risk, market risks and credit risk. The Company's senior management has overall responsibility for establishing and governing the Company's risk management framework.

The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board of the Company.

a) Liquidity Risk:

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital limits from its bankers.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet its daily operational needs. Any short-term surplus cash generated, over and above the normal requirement for working capital is invested in Bank Fixed deposits and Mutual funds, which carry minimal mark to market risks.

The below table summarizes the maturity profile at the balance sheet date for its non-derivative financial liabilities based on undiscounted cash flows:

(₹ in Lakh)

	Undiscounted			
	Carrying Amount	**Payable within 1 year**	**More than 1 years**	**Total**
As at 31st March 2019				
Borrowings (Refer Note 22)	**298.54**	**298.54**	**-**	**298.54**
Trade Payables (Refer Note 23)	**5,256.05**	**5,256.05**	**-**	**5,256.05**
Other financial liabilities-Other Liabilities (Refer Note 19 and 24)	**2,757.81**	**2,412.21**	**345.61**	**2,757.82**
As at 31st March 2018				
Borrowings (Refer Note 22)	1,736.77	1,736.77	-	1,736.77
Trade Payables (Refer Note 23)	4,808.91	4,808.91	-	4,808.91
Other financial liabilities-Other Liabilities (Refer Note 19 and 24)	1,909.19	1,610.53	298.66	1,909.19

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b) Market Risks:

Market risk is the risk of changes in market prices, liquidity and other factors that could have an adverse effect on realizable fair values or future cash flows to the Company. The Company's activities expose it to risk from movements in foreign currency exchange rates, interest rates, and market prices that affect its assets, liabilities and future transactions.

c) Foreign currency risk:

i) Potential impact of risk:

The Company undertakes transactions denominated in foreign currency and is thus exposed to foreign currency risk from transactions and translation.

The Company's exposure to foreign currency risk at the end of reporting period expressed in INR as on 31st March 2019:

(₹ in Lakh)

Particulars	USD	EUR	GBP
Financial Assets:			
Foreign currency debtors for exports of goods	**670.01**	**-**	**-**
Bank balances	**220.26**	**0.19**	**-**
Net exposure to foreign currency risk - assets	**890.27**	**0.19**	**-**
Financial Liabilities:			
Foreign currency creditors for import of goods & services	**293.05**	**-**	**0.29**
Derivative Liabilities:			
Foreign exchange forward contract (purchase) foreign currency	**1,047.23**	**-**	**-**
Net exposure to foreign currency risk – (liabilities)/asset	**(754.18)**	**-**	**0.29**

The Company's exposure to foreign currency risk at the end of reporting period expressed in INR as on 31st March 2018:

(₹ in Lakh)

Particulars	USD	EUR	GBP
Financial Assets:			
Foreign currency debtors for exports of goods	848.23	-	-
Bank balances	236.8	0.19	-
Net exposure to foreign currency risk - assets	1,085.03	0.19	-
Financial Liabilities:			
Foreign currency creditors for import of goods & services	418.38	33.20	30.59
Derivative Liabilities:			
Foreign exchange forward contract (purchase) foreign currency	1,522.52	-	-
Net exposure to foreign currency risk – (liabilities)/asset	(1,104.14)	33.2	30.59

A. Management policy

The Company manages currency exposures within prescribed limits, through use of forward exchange contracts. The use of derivative instruments is subject to limits and regular monitoring by Management.

B. Sensitivity to risk

The sensitivity of profit and loss to changes in the exchange rates arises mainly from un hedged foreign currency denominated financial instruments. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of currency and a parallel foreign exchange rates shift in the foreign exchange rates of each currency by 5% which represents Managements assessment of the reasonably possible change in foreign exchange rates.

The company's exposure to foreign currency risk at the end of the reporting period as on 31st March 2019 are as follows:

Currency	Trade Receivables	Trade Payables	Net Exposure	Exchange Rate	5% strengthening in exchange rate	Difference in Exchange Rate	Net Gain/ (Loss) (₹ in Lakh)
USD	**9,68,628**	**4,23,652**	**5,44,976**	**69.17**	**65.71**	**3.46**	**(18.85)**
GBP	**-**	**324**	**(324)**	**90.48**	**85.96**	**4.52**	**0.01**
Net gain/(loss)							**(18.84)**

The company's exposure to foreign currency risk at the end of the reporting period as on 31st March 2018 are as follows:

Currency	Trade Receivables	Trade Payables	Net Exposure	Exchange Rate	5% strengthening in exchange rate	Difference in Exchange Rate	Net Gain/ (Loss) (₹ in Lakh)
USD	1,304,087	6,42,556	6,61,531	65.04	61.79	3.25	(21.50)
EURO	-	41,184	(41,184)	80.61	76.58	4.03	1.66
GBP	-	33,152	(33,152)	92.27	87.66	4.61	1.53
Net gain/(loss)							**(18.31)**

A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.

d) Price risk:

i. **Potential impact of risk:**

The Company is mainly exposed to the price risk due to its investments in equities & mutual funds. The price risk arises due to uncertainties about the future market value of these investments.

As at **31st March 2019**, the investments in equities & mutual funds amounts to ₹ **4,278.03 Lakh** (as at 31st March 2018- ₹ 4,990.70 Lakh) which are exposed to price risk.

ii. **Management policy:**

The Company has laid policies and guidelines which it adheres to in order to minimize price risk arising from Investments in Equities & Mutual funds.

iii. **Sensitivity to risk:**

A 5% increase in prices would have led to approximately an additional ₹ **213.90** Lakh gain in the statement of Profit and Loss for the year ended **31st March 2019** (For the year ended 31st March 2018- ₹ 249.54 Lakh). A 5% decrease in prices would have led to an equal but opposite effect.

iv. **Interest rate risk:**

Potential impact of risk:

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because the Company borrows funds at both fixed and variable interest rates.

The Company has variable rate borrowings which are exposed to interest rate risk. Average borrowings for the year **2018-19 - ₹ 2,031.56 Lakh** (For the year 2017-18 - ₹ 1,891.92 Lakh).

v. **Management policy:**

The risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings. The Company has laid policies and guidelines which it adheres to in order to minimize the interest rate risk.

vi. **Sensitivity to risk:**

The sensitivity analysis has been determined based on exposure to interest rates at the end of reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of liability as on the end of reporting period was outstanding for the entire year. A 25 basis point increase or decrease is used when reporting interest rate risk internally and represents Managements assessment of the reasonable possible change in interest rates.

If Interest rates had been 25 basis point higher, the Company's profit would decrease by approximate ₹ **4.29 Lakh** (For the year ended 31st March 2018, profit would decrease by ₹ 3.30 Lakh). A 25 basis point decrease in Interest rates would have led to an equal but opposite effect.

vii. **Credit Risk:**

Credit risk refers to the risk that counter party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counter parties and obtaining sufficient collateral, wherever appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, across geographies, hence is not exposed to concentration risk. Ongoing credit evaluation is performed on the financial condition of its customers.

The Company makes an allowance for doubtful debts using Expected Credit Loss (ECL) model.

Movement in expected credit loss allowance:

(₹ in Lakh)

Particulars	**As at 31st March 2019**	As at 31st March 2018
Trade Receivables	**11,119.35**	9,824.35
Allowance for doubtful debt at beginning of the year	**10.19**	8.20
Incremental expected credit loss allowance	**0.36**	1.99
Allowance for doubtful debt at end of the year	**10.56**	10.19

NOTE 45 : FAIR VALUE MEASUREMENT

The Management has assessed that its financial assets and liabilities like cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying values largely due to the short-term maturities of these instruments.

The carrying amounts and fair values of financial instruments by class are as follows:

(₹ in Lakh)

		As at 31st March 2019		As at 31st March 2018	
	Notes	**FVTPL**	**Amortized cost**	FVTPL	Amortized cost
Financial assets					
Long Term Investments					
- Equity instruments	5	**2,520.83**		2,992.22	
- Mutual Funds	5	**1,757.20**		1,998.48	
Short Term Investments-Mutual Funds	9	**2,613.50**		2,547.07	
Trade receivables	10		**11,119.35**		9,824.35
Cash and cash equivalents	11		**570.22**		552.64
Other Bank balances	12		**436.21**		174.65
Loans to employees	13		**24.69**		30.45
Other receivables (unsecured)	14		**401.55**		416.86
Total Financial Assets		**6,891.53**	**12,552.02**	7,537.77	10,998.95
Financial Liabilities					
Term Loan	18		**100.00**		-
Trade/Security deposits	19		**345.61**		298.66
Borrowings	22		**298.54**		1,736.77
Trade payables	23		**5,256.05**		4,808.91
Other Financial Liabilities	24		**2,412.21**		1,610.53
Total Financial Liabilities			**8,412.41**		8,454.87

(i) **Fair Value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial statement that are (a) recoginsed and measured at fair value and (b) measured at amortized cost. To provide an indication about the realiability of the inputs used in determining the fair value, the Company has classified its financial instruments into three levels prescribed under accounting standard. An explanation of each level follows the underneath table:

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Financial Assets & Liabilities measured at fair value:

(₹ in Lakh)

As at 31st March 2019	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Instruments at FVTPL					
Long Term Investment					
- Equity	5	**2,520.83**	**-**	**-**	**2,520.83**
- Mutual Funds	5	**1,757.20**	**-**	**-**	**1,757.20**
Short Term Investment					
- Mutual Funds	9	**2,613.50**	**-**	**-**	**2,613.50**
Total Financial Assets		**6,891.53**	**-**	**-**	**6,891.53**
Financial Liabilities		**-**	**-**	**-**	**-**
Total Financial Liabilities		**-**	**-**	**-**	**-**

Assets and Liabilities which are measured at amortized cost:

(₹ in Lakh)

As at 31st March 2019	Note	Level 1	Level 2	Level 3	Total
Financial Assets					
Loans to employees	13	**-**	**-**	**24.69**	**24.69**
Total Financial Assets		**-**	**-**	**24.69**	**24.69**
Financial Liabilities		**-**	**-**	**-**	**-**
Total Financial Liabilities		**-**	**-**	**-**	**-**

Financial Assets & Liabilities measured at fair value:

(₹ in Lakh)

As at 31st March 2018	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Instruments at FVTPL					
Long Term Investment					
- Equity	5	2,992.22	-	-	2,992.22
- Mutual Funds	5	1,998.48	-	-	1,998.48
Short Term Investment					
- Mutual Funds	9	2,547.07	-	-	2,547.07
Total Financial Assets		7,537.77	-	-	7,537.77
Financial Liabilities		-	-	-	-
Total Financial Liabilities		-	-	-	-

Assets and Liabilities which are measured at amortized cost:

(₹ in Lakh)

As at 31st March 2018	Note	Level 1	Level 2	Level 3	Total
Financial Assets					
Loans to employees	13	-	-	30.45	30.45
Total Financial Assets		-	-	30.45	30.45
Financial Liabilities		-	-	-	-
Total Financial Liabilities		-	-	-	-

Level 1: Level 1 hierarchy included financial instruments measured using quoted prices. This included listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: the fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximize the use of observable market data. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

NOTE 46 : ACCOUNTING PRONOUNCEMENT ISSUED BUT NOT EFFECTIVE

a) **Ind AS 116 Leases:**

On 30th March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases and related Interpretations. The Standard sets out the principles for the recognition, measurement , presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019 however the effect on adoption will not have any impact on financial statement.

b) **Ind AS 12 Income Taxes (Amendments relating to income tax consequences of dividend and uncertainty over income tax treatments) :**

The amendment relating to income tax consequences of dividend clarify that a Company shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Company originally recognized those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the Company pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the Company has to use judgment, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the Company is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) Company has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statement.

c) **Ind AS 109 Financial Instruments (Prepayment Features with Negative Compensation) :**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statement.

d) **Ind AS 19 Employee Benefits (Plan Amendment, Curtailment or Settlement) :**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement.

In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statement.

e) **Ind AS 23 Borrowing Costs:**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for Its intended use or sale, that borrowing becomes part of the funds that an Company borrows generally when calculating the capitalization rate on general borrowings. The Company does not expect any impact from this amendment.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

NOTE 47 : CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the returns to stakeholders through optimization of debt and equity ratios.

The Company determines the amount of capital required on the basis of annual budgets and three years corporate plan for working capital, capital outlay and long-term strategies. The funding requirements are met through internal accruals and a combination of long-term and short-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Company.

(₹ in Lakh)

	31st March 2019	31st March 2018
Debt (long-term and short-term borrowings including current maturities)	**398.54**	1,736.77
Equity	**27,775.19**	24,638.70
Debt equity ratio	**0.01**	0.07

NOTE 48 : Previous year's figures have been have been regrouped wherever necessary to confirm to current year's presentation.

As per our Report of even date
For SGDG & Associates LLP
Chartered Accountants
Firm Registration Number: W100188

SHARAD GUPTA
Partner
Membership Number: 116560
Mumbai, Date : 25th April, 2019

For and on behalf of Board of Directors

ATUL C. CHOKSEY	Chairman (DIN00002102)
ABHIRAJ A. CHOKSEY	Managing Director (DIN00002120)
KAMLESH S. VIKAMSAY	Director (DIN00059620)
ANAND V. KUMASHI	Company Secretary
SURAJ S. BADALE	Chief Financial Officer

Mumbai, Date : 25th April, 2019

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NOTICE

NOTICE is hereby given that the Thirty Third (33rd) Annual General Meeting (AGM) of **apcotex industries limited** will be held at **EBONY Hall, Tunga Hotel, Plot No. 37, Sector 30 - A, Vashi, Navi Mumbai 400 703** on **Tuesday,** the **4th day of June 2019** at **11.00 am** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statement of the Company for the year ended 31st March 2019 together with the Reports of the Board of Directors and Auditor thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Atul Choksey (DIN 00002102), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

4. **Appointment of Mr Udayan Choksi as Director and an Independent Director**

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

   "RESOLVED THAT Mr Udayan Choksi (DIN 02222020), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 27th July 2018 under Section 161(1) of the Companies Act, 2013 ("the Act") and The Companies (Appointment and Qualification of Directors) Rules 2014, whose term of office expires at the ensuing AGM and is eligible for appointment, be and is hereby appointed as a Director of the Company."

   "RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Act, The Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), and SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015 as amended time to time, Mr Udayan Choksi (DIN 02222020), who has submitted a declaration that he meets the criteria of Independence under Section 149(6) of the Act and applicable regulations of SEBI (LODR) Regulations, 2015 and who is eligible for appointment and also declared that he has not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad and whose appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors, be and is hereby appointed as an Independent Director of the Company, for a first term of five consecutive years to hold the office from the conclusion of 33rd AGM and up to the conclusion of the 38th AGM of the Company in the calendar year 2024.

5. **Re-appointment of Mr Abhiraj Choksey as a Managing Director**

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

   "RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to approval of Central Government, if any, required, the Company hereby approves appointment of Mr. Abhiraj Choksey (DIN 00002120), as Managing Director of the Company, for a further period of three (3) years, effective from 1st May 2019, upon the terms and conditions set-out in the draft agreement submitted to this meeting and for identification signed by Chairman thereto, which agreement is hereby specifically approved with authority to the Board of Directors including committees thereof, to alter and/or vary such terms and conditions of the said appointment, within the limits, if any, prescribed in the Act and/or Schedules thereto".

   "RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company shall pay to Mr. Abhiraj Choksey, remuneration by way of salary, perquisites and allowances, not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) as may be decided by the Board of Directors, after obtaining suitable recommendation of its Remuneration Committee."

   "RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to enhance, enlarge, alter or vary the scope and quantum of salary, perquisites, allowances and incentive of Mr. Abhiraj Choksey, which revision shall be in conformity with any amendments to the relevant provisions of the Companies Act and/or the rules and regulations made thereunder and/or such guidelines as may be announced by the Central Government from time to time."

6. **Re-appointment of Mr Y B Gadgil as an Executive Director**

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

   "RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment

thereof for the time being in force), Mr. Y B Gadgil (DIN 07353169) be and is hereby appointed as an Executive Director of the Company, for a period effective from 6th February 2019 to 31st March 2020, on the same terms and conditions of the existing employment with the Company, with liberty to the Board of Directors/Committee of Board thereof, to alter and vary such terms and conditions of the said appointment, including remuneration within, the maximum limits prescribed under provisions of the Companies Act, 2013".

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company shall pay to Mr. Y B Gadgil, remuneration by way of salary, perquisites and allowances, not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013, as may be decided by the Board of Directors, after obtaining suitable recommendation of its Remuneration Committee."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to enhance, enlarge, alter or vary the scope and quantum of salary, perquisites, allowances and incentive of Mr. Y B Gadgil, which revision shall be in conformity with any amendments to the relevant provisions of the Companies Act and/ or the rules and regulations made thereunder and/or such guidelines as may be announced by the Central Government from time to time."

7. **Re-appointment of Dr. S. Sivaram as an Independent Director**

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

"RESOLVED THAT pursuant to the provisions of Section 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 as amended from time to time and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications(s) or reenactment thereof for the time being in force), the relevant provisions of SEBI (LODR) Regulations, 2015, Dr. S. Sivaram (DIN 00009900), whose present term as an Independent Director ends at the conclusion of 33rd AGM of the Company in the calendar year 2019, who has given his consent for the re-appointment and has submitted a declaration that he meets the criteria for independence under Section 149 of the Act and the applicable regulation of SEBI (LODR) Regulations, 2015 and also declared that he has not been debarred from holding the office of director or continuing as a director of company by SEBI/ MCA or any other authority in India or abroad and is eligible for re-appointment and whose re-appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors, be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years to hold the office from the conclusion of 33rd AGM and up to the conclusion of the 38th AGM of the Company in the calendar year 2024.

"RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (LODR) (Amendment) Regulations, 2018 and other applicable provisions, if any of the Companies Act, 2013, as amended from time to time, approval of the members of the Company be and is hereby accorded for continuation of directorship of Dr. S. Sivaram (DIN 00009900) as the Non-Executive Director of the Company, who will be above the age of 75 (Seventy Five) years during the year 2022.

8. **Re-appointment of Mr. Shailesh Vaidya as an Independent Director**

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

"RESOLVED THAT pursuant to the provisions of Section 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 as amended from time to time and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications(s) or reenactment thereof for the time being in force), the relevant provisions of SEBI (LODR) Regulations, 2015, Mr. Shailesh Vaidya (DIN 00002273), whose present term as an Independent Director ends at the conclusion of 33rd AGM of the Company in the calendar year 2019, who has given his consent for the re-appointment and has submitted a declaration that he meets the criteria for independence under Section 149 of the Act and the applicable regulation of SEBI (LODR) Regulations, 2015 and also declared that he has not been debarred from holding the office of director or continuing as a director of company by SEBI/ MCA or any other authority in India or abroad and is eligible for re-appointment and whose re-appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors, be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years to hold the office from the conclusion of 33rd AGM and up to the conclusion of the 38th AGM of the Company in the calendar year 2024.

9 **Re-appointment of Mr. Kamlesh Vikamsey as an Independent Director**

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

"RESOLVED THAT pursuant to the provisions of Section 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 as amended from time to time and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications(s) or reenactment thereof for the time being in force), the relevant provisions of SEBI (LODR) Regulations, 2015, Mr. Kamlesh Vikamsey (DIN00059620), whose present term as an Independent Director ends at the conclusion of 33rd AGM of the Company in the calendar year 2019, who has given his consent for the re-appointment and has submitted a declaration that he meets the criteria for

independence under Section 149 of the Act and the applicable regulation of SEBI (LODR) Regulations, 2015 and also declared that he has not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad and is eligible for re-appointment and whose re-appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors, be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years to hold the office from the conclusion of 33rd AGM and up to the conclusion of the 38th AGM of the Company in the calendar year 2024.

10. **Approval of Annual Remuneration payable to single Non-Executive Director**

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

"RESOLVED THAT pursuant to the provisions of Section 197, 198 and other applicable provisions of the Companies Act, 2013 and Rules thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with Regulation 17 (6) (ca) of SEBI (LODR) Regulations, 2015, as amended, approval of the members of the Company be and is hereby accorded for payment of Commission of ₹ 48.00 lacs to Mr Atul Choksey – Chairman of the Company, out of total commission of ₹ 62.00 lacs for Non-Executive Directors of the Company, as computed under Section 198 of the Companies Act, 2013 @ 1% of the net profits of the Company for the financial year .

"RESOLVED FURTHER that Shri Anand V Kumashi – Company Secretary, be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable for the purpose of giving effect to this Resolution.

11. **Sub - Division of Equity Shares of the Company**

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

"RESOLVED THAT pursuant to the provisions of Section 61(1)d and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and Article 8 and other enabling provisions of the Articles and Memorandum of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from the authorities concerned, each equity shares of nominal value of ₹ 5/- (Rupee Five) of the Company be sub-divided into equity shares of nominal value of ₹ 2/- (Rupees Two) each and each unclassified shares of nominal value of ₹ 5/- (Rupee Five) of the Company be sub-divided into unclassified shares of nominal value of ₹ 2/- (Rupees Two) each, consequently, the Authorized Share Capital of the Company of ₹ 31,61,00,000/- (Rupees Thirty One Crores and Sixty One Lakhs only) shall stand as under:

Particulars	Pre Sub – Division		
	No. of Shares	Face Value (in ₹)	Total Share Capital (in ₹)
Equity Shares	6,31,60,000	5	31,58,00,000
Preference Shares	500	100	50,000
Unclassified shares	50000	5	2,50,000
Total Authorized Shares Capital			**31,61,00,000**
Paid Up Share Capital	2,07,37,984	5	10,36,89,920

Particulars	Post Sub – Division		
	No. of Shares	Face Value (in ₹)	Total Share Capital (in ₹)
Equity Shares	15,79,00,000	2	31,58,00,000
Preference Shares	500	100	50,000
Unclassified shares	1,25,000	2	2,50,000
Total Authorized Shares Capital			**31,61,00,000**
Paid Up Share Capital	5,18,44,960	2	10,36,89,920

RESOLVED FURTHER THAT pursuant to the sub-division of the equity shares of the Company as above, the 2,07,37,984 (Two Crores Seven Lacs Thirty Seven Thousand Nine Hundred Eighty Four) issued equity shares of the nominal value of ₹ 5/- (Rupees Five) of the Company shall stand sub-divided into 5,18,44,960 (Five Crores Eighteen Lacs Forty Four Thousand Nine Hundred Sixty) Equity Shares of the nominal value of ₹ 2/- (Rupee Two) each.

RESOLVED FURTHER THAT upon sub-division of equity shares as aforesaid, the existing share certificate(s) in relation to the existing equity shares of the nominal value of ₹ 5/- (Rupee Five) each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the "Record date" and the Company may, without requiring the surrender of the existing share certificate(s), directly issue and dispatch the new share certificate(s) of the Company, in lieu thereof and in case of members who hold the equity shares / opt to receive sub-divided equity shares in dematerialized form, the sub-divided equity shares shall be credited to the respective beneficiary account of the Members, with their respective depository participants and the Company shall undertake such corporate actions as may be necessary in relation to the existing equity shares, whether in physical form or in dematerialized form.

RESOLVED FURTHER THAT upon the sub-division of face of value of each share from Rs 5/- to Rs 2/-, all fractions resulting from the sub-division of shares in the aforesaid manner shall be consolidated into whole Equity shares and the Board shall have the authority to dispose-off such whole shares by selling them at the market price and to distribute the net proceeds thereof (less expenses, if any) proportionately, as far as practicable, to the members concerned."

RESOLVED FURTHER THAT Shri Abhiraj Choksey – Managing Director or Shri Anand V Kumashi – Company Secretary, of the Company be and is hereby authorized severally to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and / or incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give, from time to time, as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution and to delegate all or any of the powers herein vested in the Board, to any Director(s) or Officer(s) of the Company as may be required to give effect to the above resolution.

12. **Amendment of the Capital Clause of the Memorandum of Association of the Company**

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

"**RESOLVED THAT** pursuant to Section 13, 61 and all other applicable provisions, if any of the Companies Act 2013 read with the Rules framed thereunder (including any statutory modification(s) or any re-enactment thereof) and up on sub-division of equity shares, consent of the Members of the Company be and is hereby accorded to alter and substitute the existing Clause V of the Memorandum of Association of the Company with the following new Clause V:

V The Authorised Share Capital of the Company is ₹ 31,61,00,000/- (Rupees Thirty One Crores Sixty One Lacs only) divided into 15,79,00,000(Fifteen Crores Fifty Seventy Nine Lacs) Equity Shares of ₹ 2/- (Rupees Two Only) each and 500/- (Five Hundred) Preference Shares of ₹ 100/- (One Hundred) each and 1,25,000 (Fifty Thousand) Unclassified Shares of ₹ 2/- (Rupees Two) each.

"RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, Shri. Abhiraj Choksey – Managing Director or Shri Anand V Kumashi – Company Secretary, of the Company, be and are hereby authorized severally to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in their sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regards thereto."

13. **Amendment of Article 2 of the Articles of Association of the Company**

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

"**RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) or any re-enactment thereof) and up on sub-division of equity shares, consent of the Members of the Company be and is hereby accorded to amend and substitute Article 2 of the Articles of Association of the Company with the following new Article 2:

"**2**. The Authorised Share Capital of the Company is ₹ 31,61,00,000/- (Rupees Thirty One Crores Sixty One Lacs only) divided into 15,79,00,000 (Fifteen Crores Fifty Seventy Nine Lacs) Equity Shares of ₹ 2/- (Rupees Two Only) each and 500/- (Five Hundred) Preference Shares of ₹ 100/- (One Hundred) each and 1,25,000 (Fifty Thousand) Unclassified Shares of ₹ 2/- (Rupees Two) each.

"RESOLVED FURTHER THAT Shri. Abhiraj Choksey – Managing Director and / or Shri. Anand V Kumashi – Company Secretary, of the Company, be and is hereby authorized severally to do all such acts, deeds and things and to delegate all or any of the powers to any Director(s) or Officer(s) of the Company as may be required to give effect to the above Resolution."

14. **Ratification of Remuneration to Cost Auditor of the Company**

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

RESOLVED THAT pursuant to Section 148(3)and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) there off or the time being in force), the remuneration payable to M/s V J Talati & Co., Cost Accountants, who have been appointed by the Board of Directors at their meeting held on 29th January 2019, as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2018-19 and 2019-20, on a remuneration of ₹ 50,000/- for each financial year plus taxes as applicable and re-imbursement of expenses incurred by them in connection with the audit, be and is hereby ratified."

"**RESOLVED FURTHER THAT** Shri Abhiraj Choksey – Managing Director or Shri Anand V Kumashi – Company Secretary, of the Company,be and is here by authorized severally to do all acts and take all such stepsas may be considered necessary, proper or expedient to give effect to this Resolution."

15. **Approval Tour/Medical Expenses of Chairman of The Company**

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

"**RESOLVED THAT** subject to necessary approvals if any required, under Section 188, 197 and 198 and any other applicable provisions of the Companies Act, 2013, consent of the Company in General Meeting be and is hereby accorded to Shri Atul Choksey drawing from the Company, the following perquisites and benefits:

Reimbursement of all medical expenses incurred by him and his spouse in India and / or aboard, for medical treatment, such medical expenses to include:

a. Full hospitalisation and post hospitalisation expenses incurred over and above reimbursement that he may receive against a Mediclaim Policy taken from an Insurance Company operating in India and/ or abroad.

b. Expenses incurred on medicines, instruments of medical support etc., incurred at home or in hospital.

c. Expenses incurred by him and his spouse for travel abroad for medical treatment.

Expenses incurred for travelling, boarding and lodging including for spouse and attendant(s) during the business tours, provision of chauffer driven car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals.

Provided further that such reimbursement shall be within the limits stipulated under the schedule V and any other provisions of the Companies Act, 2013

16 **Authorization for Borrowing power of the Company**

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

"RESOLVED THAT in supersession of the Special Resolution passed at 28th Annual General Meeting held on 31st July 2014 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications(s) or re-enactments thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time, such sums of monies as they may deem requisite for the purposes of business of the Company, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) notwithstanding that such borrowings may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount up to which the monies may be borrowed by the Board of Directors shall not exceed the sum of ₹ **300 crores** (**Rupee Three Hundred Crores**)".

17. **Commission to Non-Executive Director**

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

"RESOLVED THAT pursuant to Sections 197, 198, and all other applicable provisions of the Companies Act, 2013 read with rules made thereunder, including any statutory modification or re-enactment thereof, for the time being in force (hereinafter referred to as "the Act") and Regulation 17(6) of the SEBI (LODR) Regulations, 2015 and subject to all approvals, permissions and sanctions as may be necessary, the approval of the Company be and is hereby accorded for payment of remuneration/commission to the Director(s) of the Company who is/are neither in the whole-time employment with the Company nor Managing Director(s) of the Company, in such manner and up to such extent as the Board of Directors of the Company ("the Board" which expression shall also include a Committee thereof for the time being exercising the powers conferred on the Board by this resolution) may so determine from time to time, but not exceeding 3% of the net profits calculated pursuant to Section 198 of the Act and such payments shall be made in respect of profits of the Company for each financial year.

RESOLVED FURTHER THAT the above remuneration/ commission shall be in addition to the fees payable to the Directors for attending the meetings of the Board or any Committee thereof or for any other purpose whatsoever, as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board or any other meetings.

RESOLVED FURTHER THAT for the purpose of giving effect to the said resolution, the Board be and is hereby authorised to take all such actions and to do all such deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question or doubt that may arise in this regard.

Notes:

The Company's Statutory Auditor, M/s SGDG & Associates LLP was appointed as Statutory Auditor's for a period of five consecutive years at the 32nd AGM of the Company held on 27th July 2018 on remuneration to be determined by the Board of Directors.

Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017, which came into effect from 7th May 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditor has been withdrawn from the Statute.

In view of the above, ratification of the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditor have given a confirmation to the effect that they are eligible to continue with their appointment and have not been dis qualified in any manner from continuing as Statutory Auditor. The remuneration payable to the Statutory Auditor shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

BY ORDER OF THE BOARD
For apcotex industries limited

ANAND V. KUMASHI
Company Secretary

Date: 25th April 2019

Registered Office:
49-53, Mahavir Centre,
Sector 17, Vashi,
Navi Mumbai - 400 703

NOTES:

1. The relevant Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. A statement giving the relevant detail of the Directors seeking appointment/re-appointment under item no. 3 to 9 of the accompanying Notice, as required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 is annexed herewith.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote, instead of himself and a proxy need not be a member of the company.

   The instrument appointing a proxy should be deposited at the registered office of the Company not less than forty eight (48) hours before the commencement of the meeting.
4. A person can act as a proxy on behalf of the members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.

   A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
5. Corporate members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the meeting.
6. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID / folio no.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of the names will be entitled to vote at the Meeting.
8. Relevant documents referred in the accompanying Notice and in the Statements are open for inspection by the Members at the Company's Registered Office between 11 A.M. to 1 P.M. on all days except Saturdays, Sundays and Public Holidays, till the conclusion of the ensuing General Meeting.
9. The Register of Shareholders and Share Transfer Books of the Company will remain closed from **Saturday**, the **25th day** of **May 2019** to **Monday**, the **3rd day** of **June 2019**, (inclusive of both days).
10. Dividend recommended by Board of Directors, if approved by the shareholders at the Annual General Meeting, will be paid / dispatched on or after **4th June 2019** to those shareholders whose names appear on the Register of Shareholders as on **24th May 2019**. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of **24th May 2019**, as per the details furnished by National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) for the purpose as on that date.
11. SEBI has mandated the submission of PAN by every participant in security market. Shareholder sholding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Shareholders holding share in physical form can submit their PAN details to the Company.
12. Pursuant to the provisions of Section 124 of Companies Act, 2013 the Company has transferred the unclaimed dividends upto the financial year 2010-11 from time to time on due dates, to the Investors Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of IEPF (Uploading of Information regarding unpaid / unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 27th July 2018 (date of last AGM) on the website of the Company viz. www.apcotex.com, as also on the website of the Ministry of Corporate Affairs viz. www.mca.gov.in.
13. Members holding shares in the single name and physical form are advised to make nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialised form are advised to make a nomination through their Depository Participants. The nomination form can be obtained from Company's Registrars and Share Transfer agent viz. Link Intime India Pvt Ltd.
14. Shareholders are requested to notify the changes, if any, in their addresses to the Company's Registrars immediately.
15. The company is using National Electronic Clearing Services (NECS) for dividend remittance. Shareholders holding shares in physical form are requested to notify/ send to the Company's Registrar and Share Transfer Agent at: Link Intime India Pvt Ltd., C-101, 247 Park, L.B.S. Marg, Vikhroli (W),Mumbai-400 083, immediately, details of any change in their address/mandate/bank details; and particulars of their bank account, in case the same have not been sent earlier.
16. Shareholders holding shares in the electronic form are requested to inform any change in address / bank mandate directly to their respective Depository Participants. The address / bank mandate as furnished to the Company by the respective Depositories viz. NSDL and CDSL will be printed on the dividend warrants.
17. Your attention is invited on the Companies (Significant Beneficial Ownership) Amendment Rules, 2019 issued by the Ministry of Corporate Affairs on 8th February 2019. A person is considered as a Significant Beneficial Owner (SBO) if he/she, whether acting alone, together or through one or more individuals or trust holds a beneficial interest of at least 10%. The beneficial interest could be in the form of a company's shares or the right to exercise significant influence or control over the company. If any Shareholders holding shares in the Company on behalf of other or fulfilling the criteria, is required to give a declaration specifying the nature of his/her interest and other essential particulars in the prescribed manner and within the permitted time frame.

E-VOTING:

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulation, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by CDSL.

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on 30th May 2019 (9:00 am) and ends on 3rd June 2019 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24th May 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 30th May 2019 (9:00 am) and ends on 3rd June 2019 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24th May 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders/Members.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding sharesin Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.comand voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN of "Apcotex Industries Limited" on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile

(xix) Note for Non – Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

VI. Mr. Mahesh Hurgat, Practicing Company Secretary (Membership No. 7139 & C.P. No. 2498) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

VII. The Chairman shall at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

VIII. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

IX. The Results declared along-with the report of the Scrutinizer shall be placed on the website of the Company i.e. www.apcotex.com and on the website of CDSLe-voting immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Ltd and NSE Ltd.

ANNEXURE TO NOTICE

STATEMENT (Pursuant to section 102(1) of the Companies Act, 2013)

Item No.4

The Board of Directors in their meeting held on 27th July 2018 has appointed Mr. Udayan Choksi as an Additional Director of the Company pursuant to provisions of Section 161(1) of the Act and Articles of Association of the Company. In terms of the provisions of Section 161(1) of the Act, Mr. Udayan Choksi would hold the office upto the conclusion of the ensuing AGM and is eligible to be appointed.

Mr. Udayan Choksi is a member of Audit and Stakeholders Relationship Committee and he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Section 149 of the Act inter alia stipulates the criteria of independence for getting appointed as an Independent Director on the Board. As per the said Section 149, an Independent Director can hold the office for a term upto 5 (Five) years on the Board of the Company and not subjected to retirement by rotation.

The Company has received the declarations from the said Director stating that he meet all the criteria of Independence, as prescribed under Section 149(6) of the Act and under Regulation 16 (b) of SEBI (LODR) Regulations, 2015 and he has not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad.

Mr. Udayan Choksi possesses appropriate skills, experience and knowledge, inter alia in the field of indirect tax, tax litigation, finance etc.

In the opinion of the Board, Mr. Udayan Choksi fulfills the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. Mr. Udayan Choksi is an independent of the management.

Brief resume of Mr. Udayan Choksi, nature of his expertise in specific function areas and names of companies in which he holds directorship and memberships/chairmanships of the Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (LODR) Regulations, 2015, are provided in the annexure to the Notice forming part of the Annual Report.

Considering the vast experience and knowledge, it will be in the interest of the Company that Mr. Udayan Choksi is appointed as an Independent Director. Copy of the draft letter for appointment of Mr. Udayan Choksi as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company between 11 A.M. to 1 P.M. on all days except Saturdays, Sundays and Public Holidays, till the conclusion of the ensuing General Meeting.

Save and except Mr. Udayan Choksi and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the shareholders.

Item No.5

The Board of Directors at their meeting held on 16th May 2016 had appointed Mr. Abhiraj Choksey as Managing Director of the Company for a term of 3 years effective from 1st May 2016 on the terms and conditions set out in the Agreement entered by the Company with him. The shareholders were approved the appointment of Mr. Abhiraj Choksey on 10th August 2016. The term of Mr. Abhiraj Choksey will end on 30th April 2019 and is eligible to be re-appointed.

Mr. Abhiraj Choksey is not disqualified from being appointed as Managing Director in terms of Section 164 of the Act and has given his consent to act as a Managing Director and he has not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad.

The Board of Directors of the Company at their meeting held on 28th March 2019 have, in accordance with the provisions of Articles of Association of the Company and subject to the approval of the shareholders in General Meeting and that of the Central Government, if required, under the provisions of the Companies Act, 2013, decided to re-appoint Mr. Abhiraj Choksey, as "Managing Director" of the Company, for a further period of 3 (Three) Years, effective from 1st May 2019.

Mr. Abhiraj Choksey is a Bachelor of Science in Economics from Wharton Business School and also Bachelor of Science in Engineering from the Engineering School, both of University of Pennsylvania in U.S.A. He has several years of experience in the field of finance, system engineering, strategy formulation, administration etc, and also as a Management Consultant, having worked in a consulting firm in USA and in a software company in our Country.

Mr. Abhiraj Choksey is a relative of Company's Chairman, Mr. Atul Choksey, Mr. Amit Choksey and by virtue of this appointment; he will continue to hold an office or place of profit in the Company in accordance with the provisions of Section 188 and other applicable provisions of the Companies Act, 2013.

The re-appointment and remuneration of the Managing Directors are approved by the Nomination and Remuneration Committee, comprising of Dr. S. Sivaram, Mr. Kamlesh Vikamsey, Mrs. Priyamvada Bhumkar, independent directors of the Company and Mr. Atul Choksey - Chairman, in their meeting held on 28th March 2019.

The terms and conditions of the remuneration as set out in the draft agreement to be entered into by the Company with the said Mr. Abhiraj Choksey are as under:

Salary: ₹ 3,10,600/- (Rupees Three Lacs Ten Thousand Six Hundred Only) per month, with an increment to be determined by the Board of Directors, including Committee thereof, effective from the 1st day of April each year.

Allowances: House Rent Allowance and Bonus as per the rules in force in the Company from time to time.

Managerial Allowance: ₹ 4,81,850/- (Rupees Four Lacs Eighty One Thousand Eight Hundred Fifty Only) per month, with rise to be determined by the Board of Directors, including committee thereof, effective from 1st day of April each year.

Variable Pay Plan as per the rules in force in the Company, from time to time.

Perquisites: Perquisites are classified into three categories "A", "B" and "C" as follows;

Part "A"

Housing

(1) Free furnished residential accommodation or (2) in case of his own flat on ownership basis, then House Rent Allowance of an amount as may be fixed by the Board of Directors, or (3) in case of occupation of the rented premises then reimbursement of actual rent paid in respect of such premises. In case of all the above amenities such as gas, electricity, water, servants, painting, repairs, upkeep and general maintenances of the premises as are desired by the Director to be provided at the Company's expenses. In case of (2) & (3) such furniture or benefits in respect of furniture as may be required by Director, to be provided at the Company's expense.

The expenditure incurred if any, by the Company on gas, electricity, water and furnishings, furniture etc; to be made available to the Managing Director shall be valued as per the Income Tax Rules, as are in force from time to time.

Reimbursement of Expenses:

1. Payment of Medical Insurance premium and reimbursement of expenses actually incurred for self, wife, dependent, children including hospitalization expenses, nursing home charges, treatment expenses, surgical expenses etc.
2. Expenses incurred for travelling, boarding and lodging including for spouse and attendant(s) during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals and not considered asperquisites.
3. The expenses, as may be borne by the Company for providing security to Mr. Abhiraj Choksey and his family members shall not be considered as perquisites and accordingly, not to be included for the purpose of computation of the overall ceiling of remuneration.

Leave Travel Concession:

Leave Travel Concession for the Managing Director and his family, once in a year incurred in accordance with the Rules of the Company, in force from time to time.

Personal Accident Insurance:

Personal Accident insurance, the annual premium of which will not exceed ₹ 20,000/- or coverage under the Group Personal Accident Insurance Policy taken / as may be taken by the Company every year during the tenure of this appointment.

Club Fees:

Fees of clubs subject to a maximum of two clubs.

Part "B"

Provident Fund:

Company's contribution towards Provident Fund, subject to a ceiling of 12% of the salary.

Gratuity, Pension and Superannuation:

Benefits in accordance with the rules and regulations in force in the Company from time to time.

Part "C"

Car:

Provision of a car and driver for both official and personal use of the Managing Director in accordance with Company's Policy.

Telephone:

Provision of telephone at residence of the Managing Director. Personal long distance calls on telephone shall be billed by the Company to the Managing Director in accordance with Company's Policy.

Other Benefits:

1. Leave: Leave with full pay and allowance in accordance with the rules and regulations of the Company in force from time to time. Leave encashment in accordance with the rules and regulations of the Company in force from time to time, to be permitted at the end of the term, after obtaining such approvals as may be necessary.
2. Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time.
3. Such other benefits and amenities as are provided to Senior Officers of the Company from time to time.

The remuneration as aforesaid of the Managing Director shall be subject to such limits of remuneration as are laid down by the Central Government in the Companies Act, 2013, its Schedule V and/or amendments made/as may be made therein from time to time.

Notwithstanding anything to the contrary contained herein, where in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay the Managing Director remuneration by way of salary, allowances and perquisites not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by the Board of Directors of the Company, after obtaining suitable recommendation from the Remuneration Committee of the Board of Directors of the Company.

The scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged, widened, altered or varied by the Board of Directors on the recommendation of the Remuneration Committee, in the light of and in conformity with any amendments to the relevant provisions of the Companies Act and/or the rules and regulations made there-under and/or such guidelines as may be announced by the Central Government from time to time.

The Company shall pay to or reimburse the Managing Director and he shall be entitled to be paid and/or to be reimbursed by the Company all costs, charges and expenses that may have been or may be incurred by him for the purposes of or on behalf of the Company.

The draft of the agreement to be entered into by the Company with Mr. Abhiraj Choksey is available for inspection by the shareholders of the Company at the Registered Office of the Company, between 11 A.M. to 1 P.M. on all days except Saturdays, Sundays and Public Holidays, till the conclusion of the ensuing General Meeting.

Except Mr. Atul Choksey, Mr. Amit Choksey, no other Director(s) or Key Managerial Personnel of the Company and their relatives other than the concerned Managing Director are in anyway deemed to beconcerned or interested, financially or otherwise, in the Resolutions as set out in Item Nos. 5 of the Notice.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders for re-appointment of Mr. Abhiraj Choksey for further period of 3 years with effect from 1st May 2019

Item No. 6

The Board of Directors at their meeting held on 6th February 2016 had appointed Mr. Y B Gadgil as an Executive Director of the Company for a term of 3 years effective from 6th February 2016 on the same terms and conditions of the existing employment with the Company. The shareholders approved the appointment of Mr. Y B Gadgil on 10th August 2016. The term of Mr. Y B Gadgil was expired on 5th February 2019 and and is eligible to be re-appointed.

Mr. Y B Gadgil is not disqualified from being appointed as an Executive Director in terms of Section 164 of the Act and has given his consent to act as an Executive Director and he has not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad.

The Board of Directors of the Company at their meeting held on 28th March 2019, have in accordance with the provisions of Articles of Association of the Company and subject to the approval of the shareholders in General Meeting and that of the Central Government, if required, under the applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), decided to re-appoint Mr. Y B Gadgil, as an "Executive Director" of the Company, for a period with effect from 6th February 2019 to 31st March 2020.

Mr. Y B Gadgil is a Bachelor of Chemical Engineering from Laxminarayan Institute of Technology, Nagpur, passed out in 1980 and worked at Union Carbide, Chembur, Mumbai Plant and with Asian Paints and then joined the company during 1981. During his service he had handled Sales & Marketing function, Production, Projects, Responsible for all latex segments, worked closely with Technical Function for product development and approval of XSB products with new Technology and significant increase in market share of Paper and Carpet products. He had extensively worked on Capacity Expansion, Cost optimization, Quality improvement, Energy optimization, Productivity improvement ideas and their implementation.

Mr. Y B Gadgil is not related to any of the Board Members, KMPs of the Company. The re-appointment and remuneration of the Executive Directors is approved by the Nomination and Remuneration Committee, comprising of Dr. S. Sivaram, Mr. Kamlesh Vikamsey, Mrs. Priyamvada Bhumkar, Independent directors of the Company and Mr. Atul Choksey - Chairman, in their meeting held on 28th March 2019.

The terms and conditions of the employment and remuneration which will be applicable with effect from 1st April 2019, of Mr. Y B Gadgil, are as under:

Salary: ₹ 1,39,950/- (Rupees One Lac Thirty Nine thousand Nine hundred and Fifty only) per month, with an increment to be determined by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee effective from the 1st day of April each year.

Allowances: House Rent Allowance and Bonus as per the rules in force in the Company from time to time.

Managerial Allowance: ₹ 1,93,750/- (Rupees One Lac Ninety three Thousand Seven hundred fifty Only) per month, with rise to be determined by the Board of Directors, including committee thereof, effective from 1st day of April each year.

Variable Pay Plan as per the rules in force in the Company, from time to time.

Perquisites: Perquisites are classified into three categories "A", "B" and "C" as follows;

Part "A"

Housing

(1) Free furnished residential accommodation or (2) in case of his own flat on ownership basis, then House Rent Allowance of an amount as may be fixed by the Board of Directors, or (3) in case of occupation of the rented premises then reimbursement of actual rent paid in respect of such premises. In case of all the above amenities such as gas, electricity, water, servants, painting, repairs, upkeep and general maintenances of the premises as are desired by the Director to be provided at the Company's expenses. In case of (2) & (3) such furniture or benefits in respect of furniture as may be required by Director, to be provided at the Company's expense.

The expenditure incurred if any, by the Company on gas, electricity, water and furnishings, furniture etc; to be made available to the Executive Director shall be valued as per the Income Tax Rules, as are in force from time to time.

Medical Expenses Reimbursement / Medical Insurance:

Payment of Medical Insurance premium and reimbursement of expenses as per rules of the Company applicable to all senior management personnel

Leave Travel Concession:

Leave Travel Concession for the Executive Director and his family, once in a year incurred in accordance with the Rules of the Company, in force from time to time.

Personal Accident Insurance:

Personal Accident insurance, the annual premium of which will not exceed ₹ 20,000/- or coverage under the Group Personal Accident Insurance Policy taken / as may be taken by the Company every year during the tenure of this appointment.

Club Fees:

Fees of clubs subject to a maximum of two clubs.

Part "B"

Provident Fund:

Company's contribution towards Provident Fund, subject to a ceiling of 12% of the salary.

Gratuity, Pension and Superannuation:

Benefits in accordance with the rules and regulations in force in the Company from time to time.

Part "C"

Car:

Provision of a car and driver for both official and personal use of the Executive Director, in accordance with Company's Policy.

Telephone:

Provision of telephone at residence of the Executive Director. Personal long distance calls on telephone shall be billed by the Company to the Executive Director, in accordance with Company's Policy.

Other Benefits:

1. Leave: Leave with full pay and allowance in accordance with the rules and regulations in the Company in force from time to time. Leave encashment in accordance with the rules and regulations in the Company in force from time to time, to be permitted at the end of the term, after obtaining such approvals as may be necessary.
2. Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time.
3. Such other benefits and amenities as are provided to Senior Officers of the Company from time to time.

The remuneration as aforesaid of the Executive Director shall be subject to such limits of remuneration as are laid down by the Central Government in the Companies Act, 2013, its Schedule V and/or amendments made/as may be made therein from time to time.

Notwithstanding anything to the contrary contained herein, where in any financial year during the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay the Executive Director

remuneration by way of salary, allowances and perquisites not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by the Board of Directors of the Company, after obtaining suitable recommendation from the Nomination and Remuneration Committee of the Board of Directors of the Company.

The scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged, widened, altered or varied by the Board of Directors on the recommendation of the Remuneration Committee, in the light of and in conformity with any amendments to the relevant provisions of the Companies Act and/or the rules and regulations made there-under and/or such guidelines as may be announced by the Central Government from time to time.

The Company shall pay to or reimburse the Executive Director and he shall be entitled to be paid and/or to be reimbursed by the Company all costs, charges and expenses that may have been or may be incurred by him for the purposes of or on behalf of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than the concerned Executive Director are in anyway deemed to be concerned or interested, financially or otherwise, in the Resolutions as set out in Item Nos. 6 of the Notice.

Your Directors recommend his appointment by Special Resolution set out at Item no. 6 of the Notice, for a period with effect from 6th February 2019 to 31st March 2020, by the Shareholders.

Item No. 7 to 9

As per the provisions of Sections 149, 152 & Schedule IV of the Companies Act, 2013 read with the relevant Rules thereunder as amended,the Company had appointed Dr. S Sivaram, Mr. Kamlesh Vikamsey, and Mr. Shailesh Vaidya as an Independent Directors at the 28th AGM of the Company held on 31st July 2014 for a term of 5 years and their term ends at the conclusion of 33rd AGM (to be held on 4th June 2019) of the Company in the calendar year 2019.

As the above named Independent Directors shall be completing their first term of appointment at the 33rd AGM of the Company, they are eligible for re-appointment for another term of five consecutive years subject to approval of the Members by Special Resolution. All the above named Independent Directors have consented to their re-appointment and confirmed that they are not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act. The Company has also received the declarations from the said Directors stating that they meet all the criteria of Independence, as prescribed under Section 149(6) of the Act and under Regulation 16 (b) of SEBI (LODR) Regulations, 2015 and they are not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad.

Based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee and the Board of Directors of the Company at their Meeting held on 28th March 2019 have recommended the re-appointment of the afore said persons as an Independent Director for a second term of five consecutive years effective from conclusion of 33rd AGM to be held during June 2019 up to the conclusion of 38th AGM during the year 2024. During their tenure of appointment, they shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

In the opinion of the Board, they fulfil the conditions for re-appointment as Independent Directors and they are independent of the Management.

Brief resume of above Independent Directors, nature of their expertise in specific function areas and names of companies in which they holds directorship and memberships/chairmanships of the Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (LODR) Regulations, 2015, are provided in the Annexure to this Notice, which is forming part of the Annual Report.

A copy of the draft letter for re-appointment of the Independent Directors setting out the terms and conditions of their re-appointment is available for inspection by the Members at the Registered Office of the Company between 11 A.M. to 1 P.M. on all days except Saturdays, Sundays and Public Holidays, till the conclusion of the ensuing General Meeting.

Dr. S. Sivaram, an Independent Director, who is eligible to be reappointed as an Independent Director, being recommended by Nomination and Remuneration Committee of Board and the Board of Directors of the Company for his appointment for a second term of consecutive 5 years, will be completing 75 years of age during the year 2022, wherein he is being reappointed till the AGM to be held during the year 2024. In compliance with Regulation 17(1A) of SEBI (LODR) (Amendment) Regulations, 2018, approval of members by special resolution is necessary to continue as Director of the Company after attaining age of 75 years. Members needs to approve the appointment of Dr. S. Sivaram till the conclusion of AGM during the year 2024, even after attaining age of 75 years.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than the concerned Independent Directors are in anyway deemed to be concerned or interested, financially or otherwise, in the Resolutions as set out in Item Nos. 7, 8 and 9 of the Notice.

The Board recommends the Special Resolutions as set out in Item Nos. 7, 8 and 9 of the Notice for approval of the Members.

Item No. 10

As per Regulation 17(6)(ca) of SEBI (LODR) (Amendment) Regulations, 2018, approval of shareholders is required annually, in case remuneration payable to a single non-executive director exceeds 50% of that payable to all non-executive director annually.

The Board of Directors in their meeting held on 25th April 2019, have approved the payment of commission of ₹ 48.00 lacs to Mr. Atul Choksey – Chairman of the Company, out of the total Commission of ₹ 62 lacs available for Non-Executive Directors of the Company, as computed under Section 198 of the Companies Act, 2013, @1% of net profits of the Company for the financial year, which is approved by the shareholders at the AGM held on 17th August 2017.

Since the amount of Commission payable to Mr. Atul Choksey – Chairman, as proposed by the Board of Directors, exceeds 50% of the total Commission amount available for Non-Executive Directors of the Company, the approval of Shareholders is required by way of a Special Resolution.

Mr Atul Choksey, Non-executive Director/Chairman of the Board and his relatives viz. Mr. Amit C Choksey and Mr. Abhiraj Choksey, are deemed to be interested in the resolution set out at Item No.10 of the Notice,to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No. 10.

Your Board recommends the passing of Special Resolution set out at Item No. 10 of the Notice.

Item No. 11, 12 and 13:

At present, the equity shares of the Company are listed on National Stock Exchange of India Limited (NSE) and the Stock Exchange, Mumbai (BSE) and they are actively traded in NSE and BSE. The market price of the shares of the Company has also witnessed significant demand for Company's shares in last couple of years. Presently, the face value of the equity share of the Company is ₹ 5/-. In order to enhance the liquidity in the capital market, to widen shareholder base and to make the shares affordable to small investors, the Board of Directors in their meeting held on 25th April 2019 have considered it desirable to sub-divide (split the face value) of the existing nominal value of the equity shares of the Company from the present ₹ 5/- each paid-up per equity share into equity shares of ₹ 2/- each fully paid-up. Stock split would serve the purpose of raising liquidity of the shares without increasing the Company's equity servicing burden (as overall equity capital remains the same).

Shareholders attention is also invited to the fact that in view of the foregoing, the existing Capital Clause **V** of the Memorandum of Association and Article 2 of the Articles of Association of the Company also need relevant amendment to give effect to the sub-division of equity shares.

None of the Directors of the Company is interested in the resolution, except to the extent of their shareholding and the shareholding of their relatives, if any, in the Company.

Your Directors recommend the resolution for your approval.

Item No. 14

Cost Auditor

The Company is required to have its costs records audited by a Cost Accountant in practice. Accordingly, the Board of Directors at their meeting held on 29th January 2019, have appointed M/s. V J Talati & Co., Cost Accountants, as Cost Auditor for conducting the audit of the cost records ofthe Company, for the financial year 2018-19 and 2019-20 on a remuneration of ₹ 50,000/- for each financial year plus taxes as applicable and re-imbursement of expenses incurred by them in connection with the audit.

Pursuant to Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, Members of the Company are required to ratify the remuneration proposed to be paid to the Cost Auditor.

Accordingly, consent of the Members is sought for passing the Ordinary Resolution as set out at Item No. 14 of the Notice for ratification of the remuneration payable to the Cost Auditors.

None of the Directors, Key Management Personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise, in the Resolution

The Board of Directors recommends the Ordinary Resolution set out at Item No. 14 of the accompany ing Notice for approval by the Members.

Item No. 15:

Company's Chairman, Mr Atul Choksey, though not an Executive Chairman is presently devoting sizeable time and energy for the Company:

1. in the formulation and implementation of strategy for operating Company's business,
2. in devising ways and means of controlling costs and overheads of the Company and
3. in streamlining and / or improving the works and production processes for improving quality of the Company's products, their Costs and productivity of men and machines.
4. In Mergers and Acquisition, new product development and for updating the Company's technology compared to the latest technology used by global players in the market.

As Non-Executive Chairman, Mr Atul Choksey does not draw any remuneration from the Company except sitting fees for attending the meeting of the Board of Directors of the company and the Commission as approved by the Board of Directors of the Company out of 1% Commission as computed under Section 198 of the Companies Act 2013, which is available to Non-Executive Directors of the Company..

As services of Mr Atul Choksey are very valuable for the Company, the Board of Directors deem it fit and proper that he be allowed

Reimbursement of all medical expenses incurred by him and his spouse in India and / or aboard, for medical treatment, such medical expenses to include:

- Full hospitalisation and post hospitalisation expenses incurred over and above reimbursement that he may receive against a Mediclaim Policy taken from an Insurance Company operating in India and/ or abroad.
- Expenses incurred on medicines, instruments of medical support etc., incurred at home or in hospital.
- Expenses incurred by him and his spouse for travel abroad for medical treatment.

Expenses incurred for travelling, boarding and lodging including for spouse and attendant(s) during the business tours, provision of chauffer driven car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals.

Item No. 16

Pursuant to the provisions of clause (c) of sub-section(1) of Section 180 of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up share capital and free reserves of the Company, except with the consent of the shareholders of the Company. With a view to augment the funds required by the Company, the Board of Directors deems it advisable to raise long term finance by borrowing, whenever necessary. To obviate the need for the Company to obtain permission of shareholders every time before such transaction(s) take place, it is proposed to obtain a general sanction from the Shareholders by a Special Resolution.

None of the Directors is concerned or interested in the resolution under this item of the Notice.

Item No 17:

The members of the Company have at the AGM held on 17th August 2017, accorded their approval for payment of commission on profits to the Non-Executive Directors of the Company at a rate not exceeding 1% of the net profits of the Company in each financial year (computed in the manner provided in Sections 197 and 198 of the Companies Act, 2013). With the recent change in regulatory landscape, the involvement and participation of the Non-Executive Directors has enhanced to a large extent. The Non-Executive Directors of the Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as marketing, legal, corporate strategy and finance. In order to bring the remuneration of the Non-Executive Directors in line and commensurate with the time devoted and the contribution made by them, the Board of Directors of the Company ('the Board') at the meeting held on 25th April 2019 have recommended for the approval of the members, payment of remuneration by way of commission to the Non-Executive Directors of the Company, as set out in the Resolution.

Accordingly, it is proposed that in terms of section 197 of the Act, the Directors (apart from the Managing Director and Whole time Directors) be paid such remuneration/commission as recommended by the Nomination and Remuneration Committee and approved by the Board for each financial year, not exceeding 3% per annum of the net profits of the Company computed in accordance with Section 198 of the Act. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board.

The Board recommends the Special Resolution as set out in Item No.17 of the Notice for approval of the Members.

All the Non-Executive Directors and their relatives are concerned or interested in the Resolution at Item No. 17 set out in the Notice to the extent of the remuneration that may be received by each of them.

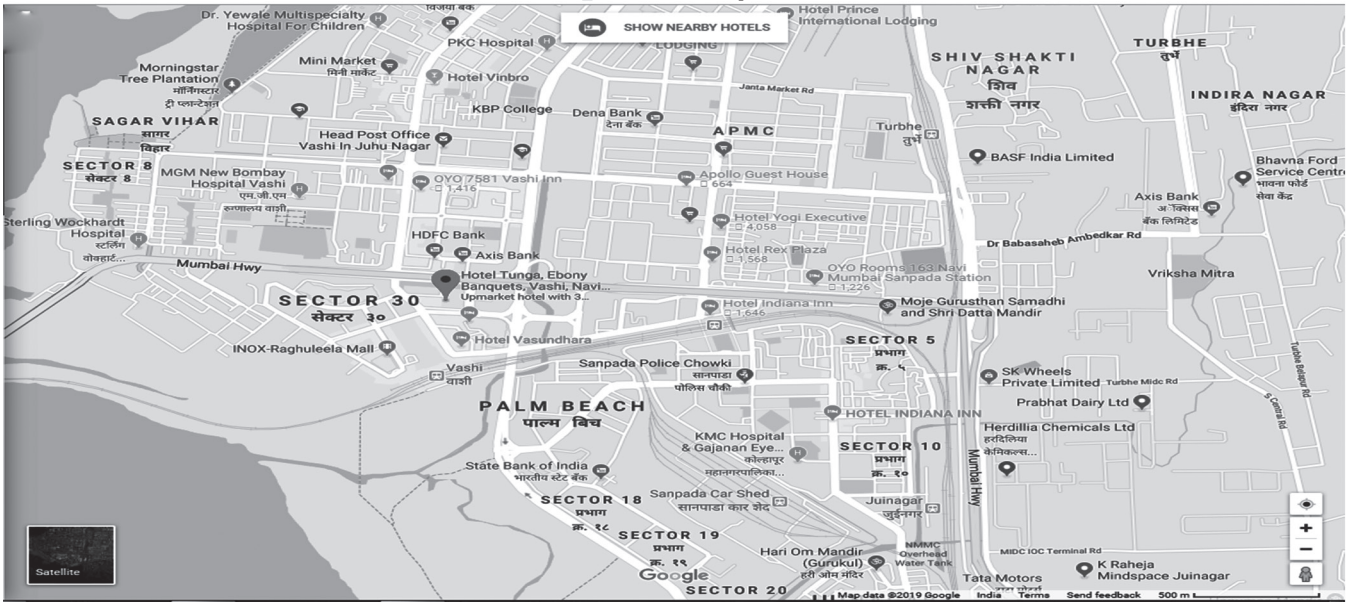
BY ORDER OF THE BOARD
For apcotex industries limited

ANAND V. KUMASHI
Company Secretary

Date: 25th April 2019

Registered Office:
49-53, Mahavir Centre,
Sector 17, Vashi,
Navi Mumbai - 400 703

Route Map



Annexure to Notice

Details of Directors seeking appointment/re-appointment at the forthcoming AGM in pursuance of Regulation 36 of SEBI (LODR) Regulations 2015

Name of the Director	Mr. Atul Choksey	Mr Udayan Choksi	Mr. Abhiraj Choksey	Mr. Y B Gadgil
Director Identification Number (DIN)	00002102	02222020	00002120	07353169
Date of Birth	17/10/1951	14/01/1976	05/08/1977	20/05/1958
Nationality	Indian	Indian	Indian	Indian
Date of Appointment on Board	23/01/1991	27/07/2018	26/11/2002	06/02/2016
Qualification	Chemical Engineer	Chartered Accountant & LLB	Bachelor of Science in Economics & Engineering.	Chemical Engineer
Shares held	31,10,700	-	27,10,287	2600
Experience / Expertise	Mr. Atul Choksey has more than three decades of experience in managing the affairs of the Company. He worked with Asian Paints Ltd in various capacities viz. whole-time director and as Managing Director from 1984 to 1997.	Mr Udayan Choksi is currently the Director of C.C. Choksi Advisors Private Ltd, Miramac Properties Private Ltd and CCC Will effect Private Ltd. He is the Managing Partner of Vox Law, and leads the indirect tax and customs service lines of the firm. He has been working in taxes for nearly 20 years at Big 4 accounting firms and prominent law firms, serving multinational corporations and India's largest businesses. Shri Udayan Choksi area of focus is tax optimised supply chains, and tax litigation.	Mr. Abhiraj Choksey has several years of experience in the field offinance, system engineering, strategy formulation, administration etc, and also as a Management Consultant, having worked in aconsulting firm in USA and in a software Company in our Country.	Mr. Y B Gadgil Worked at Union Carbide, Chembur, Mumbai Plant during 1980 – 81 in "Production Function – Chemicals Division and thereafter with Apcotex Industries Ltd (Division of Asian Paints Ltd) since 1981. Currently, he is the Executive Director–Operations andin-charge of production, engineering, projects,supply Chain (till 2015), stores, IR and general Factory administration.
Remuneration last drawn	-	-	101.70 Lacs	41.71 Lacs
Remuneration proposed to be paid	-	-	114.00 Lacs	48.80 Lacs
List of Directorship held in other listed Companies	• Ceat Ltd	-	-	-
Membership / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	-/-	2/-	1/-	-

Relationship with other Board Members.	Related to Mr. Amit Choksey and Mr. Abhiraj Choksey	Not related to any Board Member or KMP	Related to Mr. Atul Choksey and Mr. Amit Choksey	Not related to any Board Member or KMP

Name of the Director	**Dr. S. Sivaram**	**Mr. Kamlesh Vikamsey**	**Mr. Shailesh Vaidya**
DIN	00009900	00059620	00002273
Date of Birth	04/11/1946	06/12/1960	03/11/1957
Nationality	Indian	Indian	Indian
Date of Appointment on Board	31/07/2014	31/07/2014	31/07/2014
Qualification	M.Sc, PHD & Research Associate.	Chartered Accountant	LLB, Solicitor
Experience / Expertise	Dr. S. Sivaramwas working with National Chemical Laboratory (NCL) as its Director andhas over 30 years of experience in researchon polymer synthesis, high performance polymers and surface chemistry of polymers. He has been conferred PADMA SHRI by President of India (2006). He is a director on the Board of Directors of the Public Ltd Companies.	Mr. Kamlesh Vikamseyis the Senior Partner of Khimji Kunverji & Co., Chartered Accountants, Mumbai. He was elected to the Central Council of ICAI in 1998 and remained as Central Council Member till 2007. He was Vice President of ICAI in 2004 and President in 2005. He is a director on the Board of Directors of the Public Ltd Companies.	Mr. Shailesh Vaidyais a law graduate and became Solicitor in the year 1983 and has been practicing as Advocate and Solicitor. He became partner of M/s. Kanga & Company, afirm of Solicitors, during 1983. He has expertise in various Laws, regulations related to real estate and corporate matters. He is also associated with the Government Law College of Mumbai University and serves on the Board of Directors of various reputed companies as an independent director.
Shares held	-	-	-
List of Directorship held in other listed Companies	• Asian Paints Ltd • Supreme Petrochem Ltd • Deepak Nitrite Ltd • GMM Pfaudler Ltd	• Navneet Education Ltd • Tribhovandas BhimjiZaveri Ltd • GIC Housing Finance Ltd • PTC India Financial Services Ltd • Man Infraconstruction Ltd	• Siyaram Silk Mills Ltd • Excel Industries Ltd
Membership / Chairmanships of Audit & Stakeholders' Relationship Committees across Public Companies	-/2	2/4	-/1
Relationship with other Board Members.	Not related to any Board Member or KMP	Not related to any Board Member or KMP	Not related to any Board Member or KMP

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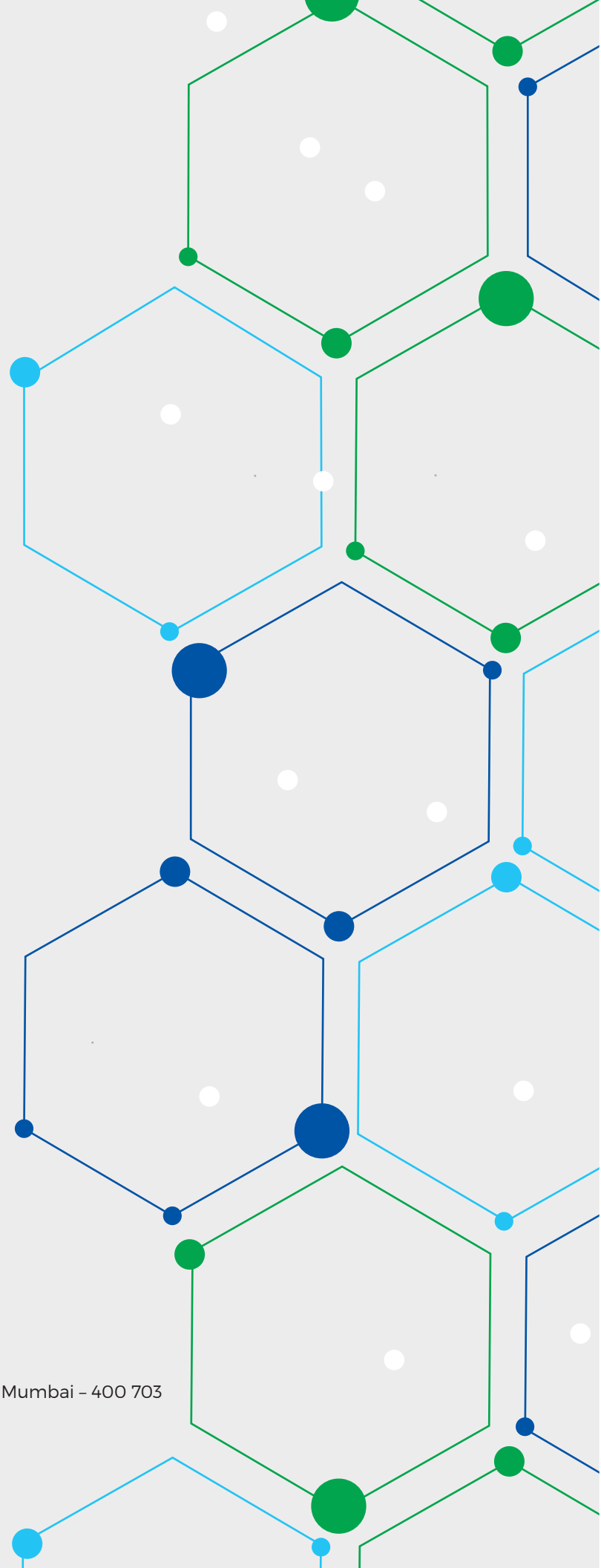
(₹ in Lakh)

PERFORMANCE SUMMARY										
	2018-19	**2017-18**	**2016-17 #**	**2015-16 #****	**2014-15**	**2013-14***	**2012-13**	**2011-12**	**2010-11**	**2009-10**
Revenues										
Gross Sales	62307.63	53,635.82	42,951.38	29,772.37	39,114.46	33,035.43	30,262.47	27,789.76	21,941.10	15,681.96
Net Sales	62307.63	52,428.96	38,654.81	26,700.26	35,336.86	29,537.81	27,212.63	25,384.72	19,967.31	14,307.57
Other Income	1028.02	902.39	3,138.12	870.10	728.77	408.87	48.06	262.46	358.79	96.80
Cost										
Material Consumed	44300.95	36,058.19	26,922.05	17,552.65	25,020.39	22,663.67	20,628.13	19,327.65	15,069.78	10,229.49
Employee's Remuneration and Benefits	3829.22	3,383.42	2,916.38	1,521.63	1,410.26	1,158.82	1,078.11	1,008.51	777.48	636.60
Other Expenses (Incl Finance Cost)	7859.21	7,097.95	6,401.72	3,911.68	5,254.42	3,782.25	3,439.00	3,401.16	2,707.26	2,082.07
Gross Profit	7,346.27	6,791.79	5,552.78	4,584.40	4,380.57	2,341.94	2,115.45	1,909.86	1,771.58	1,456.21
Depreciation	1179.26	1,214.24	1,210.03	894.43	897.71	676.81	311.30	278.64	264.76	198.95
Earning Before Interest, Tax, Depreciation and Amortization (EBITDA)	**7,526.57**	**6,948.77**	**5,840.39**	**4,826.41**	**4,704.83**	**2,756.43**	**2,350.26**	**2,275.91**	**1,980.55**	**1,504.68**
Profit before tax	6167.01	5577.55	4342.75	3,689.96	3,482.85	1,665.12	1,804.16	1,631.20	1,506.82	1,257.26
Profit after tax	4660.48	3863.64	3498.52	2,814.31	2,468.06	1,314.32	1,280.53	1,146.38	1,072.36	832.79
Earning Per Shares	**22.47**	**18.63**	**16.87**	**13.57**	**23.80**	**12.68**	**24.70**	**22.11**	**20.68**	**15.26**
Capital Accounts										
Share Capital	1,036.90	1,036.90	1,040.80	1,040.80	522.35	522.35	522.35	522.35	522.35	522.35
Reserves and Surplus	26738.29	23601.8	21251.04	26,125.70	9,452.95	8,005.18	7,297.44	6,455.32	5,897.07	5,247.88
Net Worth	27,775.19	24,638.70	22,291.84	27,166.50	9,975.30	8,527.53	7,819.79	6,977.67	6,419.42	5,770.23
Net Block of Fixed Assets	7641.73	7852.96	8778.68	8,985.27	6,325.26	6,779.16	6,498.91	3,178.36	2,887.37	2,837.64

The financials for FY 2015-16 and FY 16-17 have been restated as per IND-AS.
* Equity shares of Rs 10 each subdivided into 2 equity shares of Rs 5 each on 17th August 2013 (Record date)
** Bonus Share Capital allotted in the ratio of 1:1 on 25th September 2015

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49/52 Mahaveer Centre, Plot no. 77, Sector 17, Vashi, Navi Mumbai – 400 703