orientbell tiles

2018-19 ANNUAL REPORT

Contents

Orient Bell Limited (OBL) is amongst the largest manufacturers of Wall & Floor Tiles. It's roots in the tile industry can be traced as early as 1977.

OBL has always been a pioneer in the industry with a focus on customer-centric innovation. It was the first to manufacture ultra-vitrified tiles. For OBL, new product design & development is a continuous process. As a result it has an extensive range of tiles with various finishes & textures. It has 4 patent-pending technologies : Forever Tiles, Germ Free Tiles , Cool Tiles & Life Tiles.

OBL has a chain of signature showrooms to display this extensive range of tiles. It is privileged to be associated with premier architects and construction agencies of the country. It counts most leading developers as well as government & public sector institutions as its customers.

At OBL we believe in excellence. The ISO 9001 : 2015 accredation for our quality control management systems reflects our quest for manufacturing products that meet international standards. In 2015, our Sikandarabad plant was awarded with prestigious ISI certification for its products.

As early as in May 2000, OBL was awarded the prestigious ISO 14001 certification by the internationally recognised BSI management systems, UK. Our manufacturing units are ISO 14001:2015 certified, the most complete and global expression for an environment friendly industrial company.

We believe in making great products in a safe, healthy and environment friendly way. We have been awarded OHSAS 18001 Certification for Health & Safety Standards. No waste water is ever discharged from our factory.

OBL won the "Certificate of Merit" in "National Energy Conversation Award" 2016 organised by Ministry of Power for saving Power and Fuel consumption.

Corporate information

BOARD OF DIRECTORS
Mr. Mahendra K. Daga, Chairman & Whole Time Director
Mr. Madhur Daga, Managing Director
Mr. K.M. Pai
Mr. P.M. Mathai
Mr. Sameer Kamboj
Ms. Tanuja Joshi

AUDIT COMMITTEE
Mr. Sameer Kamboj (Chairman)
Mr. K.M. Pai
Mr. P.M. Mathai

STAKEHOLDERS RELATIONSHIP AND GRIEVANCE COMMITTEE
Ms. Tanuja Joshi (Chairperson)
Mr. Madhur Daga
Mr. K.M. Pai

NOMINATION AND REMUNERATION COMMITTEE
Mr. P.M. Mathai (Chairman)
Mr. K.M. Pai
Ms. Tanuja Joshi

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Mr. Madhur Daga (Chairman)
Mr. Sameer Kamboj
Ms. Tanuja Joshi

COMPENSATION COMMITTEE
Mr. P.M. Mathai (Chairman)
Mr. Mahendra K. Daga
Mr. Sameer Kamboj

KEY MANAGERIAL PERSONNEL
Mr. Aditya Gupta, Chief Executive Officer
Mr. Himanshu Jindal, Chief Financial Officer
Mr. Yogesh Mendiratta, Company Secretary

STATUTORY AUDITORS
M/s B.R. Gupta & Co., New Delhi

BANKERS / LENDERS
State Bank of India
Punjab National Bank
Axis Bank
IndusInd Bank
IDBI Bank
ICICI Bank
IDFC Bank
Tata Capital Financial Services Limited

SHARE TRANSFER AGENT
M/s MCS Share Transfer Agent Limited
F-65, Okhla Industrial Area, Phase-I,
New Delhi – 110 020
Tel: +91 11 41406149

REGISTERED OFFICE
8, Industrial Area, Sikandrabad – 203 205
Distt. Bulandshahr (U.P.)
Tel : +91 5735 222203/22424, +91 8191004575 / 76
Fax : +91 5735 222642

CORPORATE OFFICE
IRIS House, 16, Business Centre,
Nangal Raya, New Delhi – 110 046
Tel : +91 11 47119100

PLANTS
1. Industrial Area
   Sikandrabad,
   Bulandshahr (U.P.)
2. Village Dora, Taluka Amod,
   Dist. Bharuch – 392230, Gujarat.
3. Village Chokkahalli,
   Taluka Hoskote,
   Bengaluru (Rural)- 562114
   Karnataka

CIN: L14101UP1977PLC021546

BOARD'S REPORT

Dear Members,

Your Directors take pleasure in presenting the Forty Second Annual Report and the audited accounts for the financial year ended March 31, 2019.

Financial Results (₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018*
Net Sales/ Revenue from Operations (adjusted for taxes)	56,945	64,271
Profit before finance cost, depreciation, taxation and exceptional item	3,895	4,937
Finance Cost	871	728
Depreciation	1,652	1,502
Exceptional Item (Net)	0	2,027
Profit before taxation	1,372	4,734
Operating Profit before taxation	1,372	2,707
Tax expense	482	729
Profit after tax	890	4,005
Other Comprehensive Income (Net of Taxes)	64	79
PAT with Other Comprehensive Income	954	4,083
Earning per share (₹)	6.24	28.18

*regrouped

Performance Highlights

During the year under review FY 2018-19, your Company's Net Sales is ₹ 56,945 lakhs as against ₹ 64,271 lakhs in the previous year FY 2017-18 and the Profit After Tax (PAT) for the current fiscal FY 2018-19 is ₹ 1,372 lakhs as against ₹ 2,707 lakhs in the previous year FY 2017-18. The PAT of previous year i.e. FY 2017-18 included an exceptional item of ₹ 2,027 lakhs, hence the effective PAT during the previous year on a like for like basis was ₹ 1,978 lakhs.

On the supply side, the Industry continued to add capacities but the demand remained subdued as the Real Estate Industry is yet to pick-up. Increasing competition from the fragmented and the unorganized players in the industry apart from the severe liquidity crunch in the market resulted in downward pressure on prices. On the input cost front too there was no respite during the year as the gas prices continued to trend upwards further impacting margins.

Your Company has put in concerted efforts on costs optimization and reduction of General and Administrative expenses to improve the cost base. Improvement of product mix was also undertaken during the year (contribution of High Value Products now at 40% vs. 35% in the previous year) to improve the blended sales realization.

During the year under review your Company focused on talent acquisition so as to strengthen the key functions. The year saw recruitment and on boarding of Chief Sales Officer, Chief Marketing Officer and Chief Financial Officer. In a departure from the past, your Company has split the Marketing and Sales roles to enable sharp focus on the long term task of brand recall and engagement.

The Company's new Tile Manufacturing line ("the new line") at Sikandrabad (U.P.) plant was made operational during the year under review. The new line is running successfully and is producing large format tiles / slabs viz. Digital Glazed Vitrified Tiles (DGVT) and Polished Glazed Vitrified Tiles (PGVT) to suit the changing customer preferences. State of the art technology has been procured from renowned international brands viz., SACMI, KEDA and DLT to deliver high quality products at competitive prices.

Successive New Product Designs (NPD) launches were made to rejuvenate the product range.

- In Q2 FY18-19 the Company launched ~400 new SKUs.
  - 60% new designs were added in GVT
  - Jumbo Sizes introduced (in mm): 1200x2400, 1200x1200, 800x1600
  - Similar rejuvenation of our range has been executed in Wall Tiles as well.
- Fusion series, New Horizons & Third Fire have been some of the other launches made during the year.

To improve product display, 47 new Orient Bell Tiles Boutiques (OBTBs) were also added during FY 2018-19 in high population density towns. There is an increased emphasis on creating displays & ambiences for NPD products to improve product salience.

Your Company has spent a significant amount on advertising and promotional events particularly during Q4FY19 as part of the renewed focus on our branding campaign. Digital Media campaigns featuring multiple videos and static advertisements were launched across major platforms and markets. Hoardings were also installed over nearly 100 cities all over the Country as part of the campaign.

Your Company will continue to invest significantly in branding investments during FY 2019-20 also and the plans for the same are already being formalized. Print and Electronic Media campaigns are next on the agenda and should drive brand salience next year.

The financial statements for the financial year ended 31.03.2019 has been prepared in compliance with the Indian Accounting Standards (IND-AS).

Dividend

Your Directors have recommended a dividend of ₹ 0.50 per equity share for the financial year ended March 31, 2019. The total outgo of dividend (inclusive of tax of ₹ 14.64 lakhs) would amount to ₹ 85.89 lakhs as against ₹ 85.89 lakhs in the previous year. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

Particulars of Loans, Guarantees or Investments

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

Public Deposits

Your Company has neither invited nor accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

Transfer to Reserves

During the year under review no amount was transferred to Reserves.

Particulars of Contracts or Arrangements made with Related Parties

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval under the Listing Regulations. All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website. Details of the transactions with Related Parties are provided in the accompanying financial statements. There were no transactions during the year which would require to be reported in Form AOC-2.

Directors and Key Managerial Personnel

During the year under review, Mr. R.N. Bansal's term of office as an Independent Director of the Company ended on 29.09.2018. His outstanding contribution and support is appreciated by the Board of Directors.

Mr. Madhur Daga shall retire at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment. The first term of appointment of Mr. P.M. Mathai shall expire on 29th September, 2019. Mr. Mathai has given his consent to act as Independent director for a further term of five years from 30th September, 2019 to 29th September, 2024.

All Independent Directors have given their respective declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, your Company has appointed Mr. Himanshu Jindal as Chief Financial Officer (in the category of Key Managerial Personnel) of the Company. Mr. Himanshu Jindal is a qualified Chartered Accountant having more than 15 years of multi facet experience in Corporate Sector having good knowledge in the work areas such as Treasury, Banking, Finance, Risk Management & Insurance and Internal financial controls. He is extremely high on diligence, organized working and analytical ability. He strikes a strong rapport with banking and investor fraternity. His commercial acumen, leadership and ability to understand the matters of strategic importance makes him outstanding performer. Mr. Himanshu Jindal has worked with Companies of repute like Pfizer Ltd., Cipla Ltd., Cargill Global Trading India Pvt. Ltd., Heidelberg Cement India Ltd. and Den Networks Limited.

Number of meetings of the Board

The Board met seven times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

Directors' Responsibility Statement

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

(a) that in the preparation of annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2019 and of the profit of your Company for the year ended on that date;

(c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) that the accounts for the financial year ended March 31, 2019 have been prepared on a 'going concern' basis;

(e) that internal financial controls were in place and that such internal financial controls were adequate and were operating effectively;

(f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Audit Committee

The Audit Committee comprises of two Independent Directors namely Mr. Sameer Kamboj (Chairman), Mr. P.M. Mathai (Member) and one Non Independent- Non Executive Director Mr. K.M. Pai (Member). All the recommendations made by the Audit Committee were accepted by the Board.

Remuneration Policy

The Policy of the Company on Director's appointment and remuneration, specifying criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub section (3) of section 178 of the Companies Act, 2013, adopted by the Board, is available on the website of the Company at https://www.orientbell.com/statutory-information under the head Policies.

Risk Management Policy

Pursuant to the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formed a Risk Management Policy. This policy seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The policy defines the risk management approach across the enterprise at various levels including documentation and reporting. The Board of Directors reviews the risks appurtenant to the Company periodically and a statement of risks is mentioned under the head Management Discussion and Analysis Report of this Annual Report.

The Risk Management Policy as approved by the Board is uploaded on the Company's website https://www.orientbell.com.

Vigil Mechanism cum Whistle Blower Policy

The Company has formulated a Vigil Mechanism cum Whistle Blower Policy to deal with the instances of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct. It provides for a mechanism for Directors and Employees of the Company to approach the Chairman of the Audit Committee of the Company or the Director nominated to play the role of Audit Committee as the case may be, in exceptional cases to report such cases. The Vigil Mechanism cum Whistle Blower Policy of the Company is uploaded on the Company's website https://www.orientbell.com.

Corporate Social Responsibility

The Corporate Social Responsibility Committee comprises Mr. Madhur Daga (Chairman), Ms. Tanuja Joshi and Mr. Sameer Kamboj (Members). The Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at https://www.orientbell.com.

The CSR activities, as per the provisions of the Companies Act, 2013, may also be undertaken through a Registered Trust. The Company continues to undertake the CSR activities also through M/s Godavari Foundation, a Trust registered under Section 12A of the Income Tax Act, 1961 (registration no. DIT(E) 268-69/8E/196/90-91).

The Company undertakes initiatives in compliance with Schedule VII to the Act.

The average net profit of the Company, computed as per Section 198 of the Act, during the three immediately preceding financial years (i.e. 2015-16, 2016-17 and 2017-18) was ₹ 22,42,21,623/-. It was hence required to spend ₹ 44,84,432/- on CSR activities during the Financial Year 2018-19, being 2% of the average net profits of the three immediately preceding financial years. During the year, the Company has spent ₹ 44,86,749/- on CSR activities.

The Annual Report on CSR activities is appended as ***Annexure 1 to the Board's Report.***

Code for prevention of Insider Trading Practices

In accordance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has formulated and adopted 'Code of Conduct for prevention of Insider Trading' and 'Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information' (hereinafter collectively referred to as "OBL Code of Conduct"). The OBL Code of Conduct is uploaded on the website of the company https://www.orientbell.com.

Information pursuant to Section 134(3)(m) of the Companies Act, 2013

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 is appended as ***Annexure 2 to the Board's Report.***

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

A separate exercise was carried out by the Nomination and Remuneration Committee of the Board to evaluate the performance of individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Employee Stock Option Scheme

During the year under review, Orient Bell Employees Stock Option Scheme, 2018 was approved by the members involving 2,00,000 Employees Stock Options. The Company has received necessary approvals from Stock Exchanges and granted Employees Stock Options under the said scheme.

The information required to be disclosed in terms of the provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Companies (Share Capital and Debentures) Rules, 2014 is appended as ***Annexure 3 to the Board's Report.***

Management Discussion and Analysis Report

'Management Discussion and Analysis Report', as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forming part of this report, has been given under separate section in the Annual Report.

Corporate Governance Report

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together a certificate for compliance of the provisions of Corporate Governance from the Statutory Auditors forms an integral part of this Report.

Annual Return

A copy of the Annual Return is disclosed on the website of the Company https://www.orientbell.com and its web link is https://www.orientbell.com/pub/media/docs/investor/Annual_Return_for_the_year_2018.pdf.

Subsidiaries, Associates and Joint Ventures

The Company has no Subsidiary Company or Joint Venture but the Company has two Associate Companies viz., M/s Proton Granito Private Limited and M/s Corial Ceramic Private Limited. As required under the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statement of associates in the prescribed format AOC-1 is appended as ***Annexure 4 to the Board's Report.***

Particulars of Employees

The information as per Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request. However, as per the provisions of Section 136 of the Act, the Report and Accounts are being sent to all the members excluding the information on particulars of employees which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Any member interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

Auditors

Statutory Auditors

M/s B.R. Gupta & Co., Chartered Accountants, New Delhi Statutory Auditors of your Company have been appointed as such by the Shareholders at the 40th AGM held on 22nd September, 2017 to hold office from the conclusion of 40th AGM till the conclusion of 45th AGM to be held in the year 2022. Their appointment was, however, subject to ratification by the shareholders in every AGM, if required by law. As per the Companies (Amendment) Act, 2017 the said requirement of ratification has been dispensed with. Accordingly, M/s B.R. Gupta & Co., Chartered Accountants will continue to hold office till the conclusion of 45th AGM to be held in the year 2022 as per Shareholders' approval.

Auditors' Report

The Auditor's Report read with notes to the accounts referred to in the Auditor Report are self- explanatory and therefore do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark. There is no offence of fraud reported by the Statutory Auditors under section 143(12) of the Companies Act, 2013.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Vivek Arora, Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit, appended as ***Annexure 5 to the Board's Report*** does not contain any qualification, reservation or adverse remark.

Compliance with Secretarial Standards issued by ICSI

The Secretarial Standards issued by the Institute of Company Secretaries Of India (ICSI) have been duly complied with by the Company.

Internal Financial Control System

The Company has well in place the Internal Financial Control Framework which is independently evaluated from time to time by in-house audit function for necessary improvement, wherever required. The detail in respect of adequacy of internal financial controls with reference to the financial statements is mentioned under the head Management Discussion and Analysis Report of this Annual Report.

Material changes and commitments between the end of the financial year and date of report

There is no material change and/or commitment held between the end of the financial year and the date of report affecting the financial position of the Company.

General

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee and is also having a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013".

Your Directors further states that during the year under review, no case was received by the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Acknowledgement

Your Directors wish to take the opportunity to express their sincere appreciation to the Central, Uttar Pradesh and Karnataka Governments, banks, financial institutions, Channel Partners, staff and all other stakeholders for their whole-hearted support and co-operation. We look forward to their continued support and encouragement.

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi	**Madhur Daga**	**K.M. Pai**
Date: 22nd May, 2019	Managing Director	Director

ANNEXURE – 1 TO BOARD'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES

A Brief outline of Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

In accordance with the provisions of Section 135 of the Companies Act, 2013 and Rules made there under, the Company has framed a CSR Policy. The efforts of improving the lives of communities near manufacturing factories are effected through projects focused in the areas of Education, Health and Hygiene. During the financial year 2018-19, the Company has undertaken projects of transformation/maintenance of Government Schools at Panchayawala, Jaipur and Vill. Til Begumpur, Distt. Bulandshahr (U.P.) and Girls College at Lucknow (U.P.) to make them more suitable in terms of hygiene, health and clean environment. Your Company is always conscious of green environment and carries out plantations on a regular basis within its premises and also outside its premises. These Projects are in accordance with the CSR Policy of the Company and Schedule VII of the Companies Act, 2013 as amended from time to time.

The Company's CSR policy has been uploaded on the website of the Company under the web-link: https://www.orientbell.com/pub/media/docs/investor/CSR-Policy.pdf.

Composition of the CSR Committee:

Mr. Madhur Daga, Chairman - Managing Director
Ms. Tanuja Joshi - Independent Director
Mr. Sameer Kamboj - Independent Director

Average net profit of the Company for last three financial years: ₹ 22,42,21,623/-.

Prescribed CSR Expenditure (2% of the average net profits of last three financial years): ₹ 44,84,432/-.

Details of CSR spent during the financial year:

a) **Total amount to be spent for the financial year** : ₹ 44,86,749/- was spent against ₹ 44,84,432/-.

b) **Amount unspent** : Nil

c) **Manner in which the amount was spent during the financial year 2018-19 is detailed below:**

(Amount in ₹)

Sr. No	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes 1. Local area/others 2. Specify the state / district (Name of the District/s, State/s where project/ programme was undertaken)	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme Subheads: 1. Direct expenditure on project, 2. Overheads	Cumulative spend up to the reporting period from 01.04.2014 to 31.03.2019	Amount spent: Direct/through implementing agency*
Amount spent on CSR activities upto 31.03.2018						91,23,362	
1	Refurbishment & Development of Government Lower Primary school	Promoting Education	Hoskote, Karnataka	52,937	52,937	91,76,299	Godavari Foundation
2	Refurbishment & Development of school	Promoting Education	Bangalore	21,30,538	21,30,538	1,13,06,837	Godavari Foundation
3	Renovation expenses for Government School	Promoting Education	Panchayawala, Jaipur	4,86,690	4,86,690	1,17,93,527	Godavari Foundation
4	Plantations	Environment Sustainability	Delhi	1,17,576	1,17,576	1,19,11,103	Direct

5	Amount paid under Kanya Vidya Yojna, Government of Gujarat	Promoting Education	Government of Gujarat	72,000	72,000	1,19,83,103	Direct
6	Maintenance of Rajkiya Madhyamik Vidyalaya	Promoting Education	Jaipur, Rajasthan	15,463	15,463	1,19,98,566	Direct
7.	School Renovation and beautification	Promoting Education	Delhi	49,450	49,450	1,20,48,016	Direct
8.	Contribution to Prime Minister's National Relief Fund	—	—	7,260	7,260	1,20,55,276	Direct
9.	Maintenance of Government Primary School	Promoting Education	Til Begumpur (U.P.)	1,93,474	1,93,474	1,22,48,750	Godavari Foundation
10	Maintenance of Girls College	Promoting Education	Lucknow (U.P.)	12,79,828	12,79,828	1,35,28,578	Godavari Foundation
11	Plantations	Environment sustainability	Delhi	36,533	36,533	1,35,65,111	Godavari Foundation
12	Women Hygeine	Promoting Healthcare and Sanitation	Delhi	45,000	45,000	1,36,10,111	Godavari Foundation

*Godavari Foundation is a Registered Trust which fulfils the criteria for being appointed as an implementing agency in terms of Companies (Corporate Social Responsibility Policy) Rules, 2014. The said Trust was entrusted by the CSR Committee to carry out CSR activities on behalf of the Company in the areas specified in the CSR policy of the Company.

Responsibility Statement by the Corporate Social Responsibility Committee:

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Place : New Delhi
Date : 22nd May, 2019

Madhur Daga
Chairman-CSR Committee

Tanuja Joshi
Director & Member-CSR Committee

ANNEXURE – 2 TO BOARD'S REPORT

INFORMATION PURSUANT TO SECTION 134 (3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken:

At Sikandrabad Plant:

1. Changed under load motors at slip house agitator & cooling tower pump for energy saving, total saving 41 KWH/day.
2. Used Invertors at Kiln combustion air fan, Press Enea cooler & Glaze line Hydro filter for energy saving, total saving 228 KWH/day.
3. Modified Glaze line from double line to single line from Glaze line to Kiln entry, saved 140 KWH/day.
4. Modified combustion system of Fluidized Bed Combustion Chamber for energy saving in spray dyer, Coal saving 2200 Kg/day.
5. Roof insulation and side wall in firing zone changed in Kiln, saving 140 scm/day.
6. At many sections like Glaze line, ETP pump changed the wiring from delta to star connection, saved 850 KWH/day.
7. Installed automatic light controllers at Plant area lighting to automatic ON/OFF the light as per requirement. It has saved 48 KWH/day.
8. We have commissioned the new production line from Oct.18, which is 15-20% fuel-efficient.
9. Stopped idle running of the plant machinery at various sections.

At Hoskote Plant:

1. Press conveyor panel modified with Invertor, saving 70 KWH/day.
2. Arrested air leakage in overall plant and saved energy 150 KWH/day.
3. Replaced 20 nos. 250w HPMV light by 20w LED light and saved 38 KWH/day.
4. We have done major maintenance of Chiller plant cleaned, Saved – 80 KWH/day.
5. In Sacmi kiln- Connection of hot air fan outlet to combustion air to increase the inlet air temperature & Gas saved 90 kgs/day.
6. Installed recuperator in kiln & by increasing combustion temperature, saved 376 kgs/day.

At Dora Plant:

1. Two inverters of 11 KW were installed at 5-layer dryer for exhaust fan motor, saved 40 KWH/Day
2. Installed of 11 KW Invertor for cooling fan of spray dryer saved approx. 55 KWH/Day.
3. Installed of 22 KW Invertor for blower motors no.5 at 5layer dryer, saved approx. 112 KWH/Day.
4. Installed three number 2.2 KW Invertors at glaze lines hydro filter motors, Saved approx. 36 KWH/Day.
5. Installed of 7.5 KW Invertor for RLW fan motor at kiln saved approx. 74 KWH/Day.
6. Spray dryer roof repaired and insulation work done for fuel saving, fuel saved 260 scm/day.

(b) Additional investment on energy conservation equipment:

At Sikandrabad Plant:

1. Invertors (06 nos) to be provided at Press Enea cooler, expected saving will be 466 KWH/day.
2. Replacement of old motors with energy efficiency motors, expected saving will be 372 KWH/day.
3. Invertors (12 nos) to be provided at Glaze line Hydro filters, expected saving will be 144 KWH/day.
4. Replacement of sodium Vapor and Metal Halide Lamps with LEDs, proposed power saving will be 97 KWH/day.
5. To be modified combustion system of Fluidized Bed Combustion Chamber, expected coal saving will be 2500 Kg/day.
6. Thermal insulation to be provided at Kiln wall and Kiln roof for fuel saving.

At Hoskote Plant:

1. Introducing LEDs in place of Sodium vapor lamps, appx saving 150 KWH/day.
2. Installation of 30 KW Invertor for kiln smoke suction blower & indirect cooling blower & Expected saving appx 250 KWH/day.
3. Arresting of compressed air leakage & expected saving of 100 KWH/day.

4. We will install GA55VDS compressor and remove GA30 compressor 3 nos, So that we can save 240 KWH/day.
5. By cleaning Press dryer & by switching off one burner in each drier, expected saving of fuel will be approx.:- 150 kg/day.
6. By arresting heat leakage in kiln by roof repair & wall repair, expected fuel saving will be 250 kgs/day.
7. To be install Enea cooler in place of chiller then we can save 900 KWH/day by one plant.

At Dora Plant:

1. Utilization of waste heat of gas generator into spray dryer. Approx. gas saving will be 400 scm/day.
2. Replacement of metal halide & Sodium vapor light with LED light. Approx. saving will be 25 KWH/day.
3. Installation of 22 KW Invertor for remaining blower motors at 5 layer dryer, saving is approx. 112 KWH/Day.
4. Installation of 7.5 KW Invertor for submersible pump motor, saving is approx.38 KWH/Day.
5. Increased recuperator capacity of kiln and insulation to increase combustion air temperature. Saving 240 scm/day.

B. TECHNOLOGY ABSORPTION

(a) Efforts made towards technology absorption:

At Sikandrabad Plant:

1. Introduction of DGVT/PGVT 800x800 & 800x1200 mm.
2. Introduction Solar roof top energy power plant of 1MWp.
3. Introduction Energy management system ISO 50001:2018 EMS.
4. New product development as per market requirement.

At Hoskote Plant:

1. Introduction Solar roof top energy power plant of 0.6 MWp and power purchase agreement with Solar party.
2. Introduction of 15 MT capacity pendulum mill in place of 3 MT capacity pendulum mill to have energy saving.
3. Introduction of double fast firing wall tiles.

At Dora Plant:

1. Installation of dust collector in squaring machine.
2. Installation of new squaring machine to reduce the squaring defects and fired losses.
3. To increase the number of silo in slip house to reduce the ageing related faults of tiles produced.
4. To develop new products as per requirement of Market.

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

As a result of these efforts, cost reduction, improved yield, energy saving, and quality up gradation became possible.

(c) Technology Imported: Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Foreign Exchange earned : Nil
2. Foreign Exchange outgo : ₹ 2,578.56 lakhs

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi	**Madhur Daga**	**K.M. Pai**
Date: 22nd May, 2019	Managing Director	Director

ANNEXURE – 3 TO BOARD'S REPORT

DISCLOSURES REQUIRED UNDER THE SEBI (EMPLOYEE STOCK OPTION SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME GUIDELINES, 1999) AND COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014.

ORIENT BELL EMPLOYEES STOCK OPTION SCHEME, 2013*

	Nature of Disclosure	Particulars
A.	Summary of Status of ESOS Granted :	
	(i) The description of the existing scheme is summarized as under :	
	(a) Date of shareholder's approval	10th July, 2013
	(b) Total number of options approved	9,40,000
	(c) Vesting requirements	The options shall vest after the expiry of one year from the date of respective grant of options.
	(d) Exercise price or Pricing formula	Exercise Price is Nil
	(e) Maximum term of options granted	Three years from the date of each vesting.
	(f) Source of shares	Primary
	(g) Variation in term of options	None
	(ii) The movement of options during the year is as follows :	
	(a) Number of options outstanding at the beginning of the financial year - Out of options granted on 22.03.2017	17,500
	(b) Number of options granted during the year	0
	(c) Number of options lapsed during the year	0
	(d) Number of options vested during the year	17,500
	(e) Number of options exercised during the year	17,500
	(f) Total number of shares arising as a result of exercise of options	17,500
	(g) Money realized by exercise of options	N.A.
	(h) Loan repaid by the Trust during the year from exercise price received	N.A.
	(i) Number of options outstanding at the end of the year	Nil
	(j) Number of options exercisable at the end of the year	Nil
B.	Employee wise details of Options granted during the financial year 2018-19 under ESOS :	
	i) Key Managerial Personnel	None
	ii) Other Senior managerial personnel	None
	iii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	None
	iv) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None
C.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (Ind-AS) 33 'Earnings Per Share'.	₹ 6.20

D.	Method used to Account for ESOS	Employee Compensation cost has been calculated using fair value method under Black Scholes Option Pricing Model.
	Difference between the employee compensation cost computed using the intrinsic value of the stock options and the employee compensation cost that shall have been recognized if the fair value of the options had been used and its impact on profits and on EPS of the Company.	N.A
E.	(i) Weighted average exercise prices and weighted average fair values of options whose exercise price equals the market price of the stock.	N.A.
	(ii) Weighted average exercise prices and weighted average fair values of options whose exercise price exceeds the market price of the stock.	N.A.
	(iii) Weighted average exercise prices and weighted average fair values of options whose exercise price is less than the market price of the stock.	N.A.
F.	(i) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:	Black Scholes Method
	(a) Risk-free interest rate	6.81%
	(b) Expected life of options	1 year
	(c) Expected volatility	4.11%
	(d) Expected Dividend yield	0.82%
	(e) The price of the underlying share in market at the time of option grant	₹160.13
	(f) Exercise Price	Nil
	(ii) Method used to determine expected volatility	Expected volatility is based on the Company's share price for preceding five years of grant date.
	(iii) No other feature has been considered for fair valuation of options except as mentioned in Point F (i) above.	

* The Company has made necessary accounting of the 17,500 ESOPs in its books in the previous year. No cost has been booked in FY 2018-19.

Orient Bell Employees Stock Option Scheme, 2018

	Nature of Disclosure	Particulars
A.	**Summary of Status of ESOS Granted :**	
	(i) The description of the existing scheme is summarized as under :	
	(a) Date of shareholder's approval	16th April, 2018
	(b) Total number of options approved	2,00,000
	(c) Vesting requirements	The options granted under Scheme shall vest after the expiry of minimum one year from the date of grant, as per vesting schedule as may be decided by the Compensation Committee subject to maximum period of five years.
	(d) Exercise price or Pricing formula	The Exercise price of the Shares will be based on the Market Price of the Shares one day before the date of the meeting of the Compensation Committee wherein the grants of options will be approved. Since the shares of the Company are listed on more than one Stock Exchange, the price of the Stock Exchange where there is highest trading volume shall be considered as the market price. The Compensation Committee has a power to provide suitable discount or charge premium on such price as arrived above. However, in any case the Exercise Price shall not go below the face value of Equity Share of the Company.
	(e) Maximum term of options granted	Three years from the date of each vesting
	(f) Source of shares	Primary
	(g) Variation in term of options	None
	(ii) The movement of options during the year is as follows :	
	(a) Number of options outstanding at the beginning of the financial year :	Nil
	Total	Nil
	(b) Number of options granted during the year	1,76,000
	(c) Number of options lapsed during the year	5,000
	(d) Number of options vested during the year	Nil
	(e) Number of options exercised during the year	Nil
	(f) Total number of shares arising as a result of exercise of options	Nil
	(g) Money realized by exercise of options	N.A.
	(h) Loan repaid by the Trust during the year from exercise price received	N.A.
	(i) Number of options outstanding at the end of the year	1,71,000
	(j) Number of options exercisable at the end of the year	Nil
B.	**Employee wise details of Options granted during the financial year 2018-19 under ESOS :**	
	i) Key Managerial Personnel	Mr. Aditya Gupta, CEO – 50,000 Mr. Himanshu Jindal, CFO – 18,000
	ii) Other Senior managerial personnel	Mr. Anil Agarwal, Chief Operations Officer – 28,000 Mr. Alok Agarwal, Chief Marketing Officer – 18,000 Mr. Pinaki Nandy, Chief Sales Officer – 18,000
	iii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	--

	iv) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil
C.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (Ind-AS) 33 'Earnings Per Share'.	Nil
D.	Method used to Account for ESOS	Employee compensation cost has been calculated using fair value method under Black Scholes option pricing model.
	Difference between the employee compensation cost computed using the intrinsic value of the stock options and the employee compensation cost that shall have been recognized if the fair value of the options had been used and its impact on profits and on EPS of the Company.	N.A.
E.	(i) Weighted average exercise prices and weighted average fair values of options whose exercise price equals the market price of the stock.	N.A.
	(ii) Weighted average exercise prices and weighted average fair values of options whose exercise price exceeds the market price of the stock.	N.A.
	(iii) Weighted average exercise prices and weighted average fair values of options whose exercise price is less than the market price of the stock.	Weighted average exercise price per option: ₹ 10/-. Weighted average fair value per option: Options granted on 17.04.2018: ₹ 284.80 Options granted on 29.06.2018: ₹ 241.74 Options granted on 09.08.2018: ₹ 244.91 Options granted on 13.11.2018: ₹ 172.83 Options granted on 28.12.2018: ₹ 172.85
F.	(i) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:	

	GRANT DATE				
	17.04.2018	29.06.2018	09.08.2018	13.11.2018	28.12.2018
(a) Risk-free interest rate	7.2%	7.89%	7.77%	7.58%	7.2%
(b) Expected life of options	2.50 yrs	2.50 yrs	2.50 yrs	3.50 yrs	2.50 yrs
(c) Expected volatility	49.65%	49.65%	49.65%	51.06%	49.65%
(d) Expected Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
(e) The price of the underlying share in market at the time of option grant	₹ 293.15	₹ 249.95	₹ 253.15	₹ 180.50	₹ 181.20
(f) Exercise Price	₹ 10/- per Option	₹ 10/- per Option	₹ 10/- per Option	₹ 10/- per Option	₹ 10/- per Option

(ii) Method used to determine expected volatility	Expected volatility is based on the share price taken from NSE for the latest historical period as per time to maturity.
(iii) No other feature has been considered for fair valuation of options except as mentioned in point F(i) above.	

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi
Date : 22nd May, 2019

Madhur Daga
Managing Director

K.M. Pai
Director

ANNEXURE – 4 TO BOARD'S REPORT

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

Part A: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

1.	Sl. No.	
2.	Name of the subsidiary	
3.	The date since when subsidiary was acquired	
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	
6.	Share capital	
7.	Reserves and surplus	N.A.
8.	Total assets	
9.	Total Liabilities	
10.	Investments	
11.	Turnover	
12.	Profit before taxation	
13.	Provision for taxation	
14.	Profit after taxation	
15.	Proposed Dividend	
16.	Extent of shareholding (in percentage)	

Notes: The following information shall be furnished at the end of the statement:
1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

Part B: Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Particulars	Associates	
		Proton Granito Pvt. Ltd.	Corial Ceramic Pvt. Ltd.
1.	Latest audited Balance Sheet Date	31-03-2019	31-03-2019
2.	Date on which the Associate was associated or acquired	01-04-2015	03-08-2017
3.	Shares of Associate held by the company on the year end		
	- No. of shares	31,20,000	26,00,000
	- Amount of Investment in Associates (In ₹ Lakhs)	312	260
	- Extent of Holding (in percentage)	19.5%	26.0%
4.	Description of how there is significant influence	Control	Due to equity stake being more than 20%

5.	Reason why the associate is not consolidated	Being Consolidated	Being Consolidated
6.	Networth attributable to shareholding as per latest audited Balance Sheet (Amount in ₹ Lakhs)	2,052.43	1,032.58
7.	Profit or Loss for the year (after tax) (Amount in ₹ Lakhs) – as per consolidated financial statements	30.22	8.47
	i. Considered in Consolidation (₹ Lakhs)	30.22	8.47
	ii. Not Considered in Consolidation	--	--

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi
Date : 22nd May, 2019

Madhur Daga
Managing Director

K.M. Pai
Director

ANNEXURE – 5 TO BOARD'S REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31-03-2019
[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
Orient Bell Limited
8, Industrial Area,
Sikandrabad,
Distt. Bulandshahr, U.P.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Orient Bell Limited. 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 Orient Bell Limited (the Company) 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 31-03-2019 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 31-03-2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:
   (a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
   (c) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   (d) SEBI (Share Based Employee Benefits) Regulations, 2014;
   (e) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   (f) SEBI (Delisting of Equity Shares) Regulations, 2009;
   (g) SEBI (Buy-back of Securities) Regulations, 1998.

(vi) (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
   (ii) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pertaining to Listed equity shares of the Company at NSE and BSE.

(vii) (i) There is no specific law, which is exclusively applicable to the Company, however the following general laws significant to the Company, were examined and audited for ensuring their compliance mechanism :-
   (a) The Factories Act, 1948;
   (b) The Environment (Protection) Act, 1986;

(c) The Air (Prevention & Control of Pollution) Act, 1981;

(d) The Water (Prevention & Control of Pollution) Act, 1974.

(ii) The Company voluntarily obtained BIS (Bureau of Indian standards) certification in respect of its manufactured product i.e. Pressed Ceramic tiles, conforming to IS 15622 : 2017 which was also examined.

During the period under review the Company has complied with the provisions of the 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

I further report that during the year-

i) The Company has allotted 17,500 equity shares of ₹ 10/- each under Orient Bell Employees Stock Option Scheme, 2013 at 'Nil' exercise price on 17.04.2018.

ii) The Board of Directors had approved Orient Bell Employees Stock Option Scheme, 2018 on 13.03.2018 involving 2,00,000 Stock Options, which was approved by the members of the Company in the Extra Ordinary General meeting held on 16.04.2018.

iii) The Company has granted 1,76,000 ESOPs under Orient Bell Employees Stock Option Scheme, 2018 at an exercise price of ₹ 10/- each out of which 5,000 options were lapsed and no equity shares were allotted during the year in this Scheme.

for **VIVEK ARORA**
COMPANY SECRETARIES

Place : New Delhi
Date : 22nd May, 2019

CS VIVEK ARORA
(PROPRIETOR)
C.P. NO. 8255; ACS 12222

Note:

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

Annexure 'A'

To,

The Members
Orient Bell Limited

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

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for VIVEK ARORA
COMPANY SECRETARIES

Place : New Delhi
Date : 22nd May, 2019

CS VIVEK ARORA
(PROPRIETOR)
C.P. NO. 8255; ACS 12222

MANAGEMENT DISCUSSION AND ANALYSIS

As per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is provided as under:

INDUSTRY STRUCTURE AND DEVELOPMENT

The Global Ceramic Tiles Industry is envisaged to grow at a CAGR of 3-5% during Years 2018-2022 on account of increasing residential segment in the Asian & Gulf Cooperation Council (GCC), a rising replacement demand and increasing penetration of the ceramic tiles. – *[source: CARE Ratings Limited (CARE)]*.

The Indian Tiles Industry has been largely dependent on the Real Estate Sector where the growth has been tepid for the last few years. Bulk of the tiles production in the country is localized at Morbi and the Listed tiles manufacturing companies contribution is ~ 30-35% of the revenues of the overall industry.

Low demand and increasing competition from the unorganized and fragmented players in the industry added to price and volume volatility during FY 2018-19. Steep increase in gas costs also impacted margins last year which could not be passed on to the end customers.

OUTLOOK

Consumer preferences are shifting towards premium products and larger format tiles. Nano technology, 3-D printing, Digital Glazed Vitrified Tiles (DGVT) and Polished Glazed Vitrified Tiles (PGVT) are emerging trends in the Indian ceramic tiles market. Understanding the trend, your Company has already expanded its product lines. Investments have also been made at the flagship plant at Sikandrabad where the new tile manufacturing line is already operational producing large format (GVT) tiles. Your Company believe being customer-centric in its approach will help the Company standout in a commoditized market and occupy a unique position in their minds.

Medium to long term drivers for demand to tiles continue to remain intact – sound demographics, growth in GDP, increasing urbanization, Government's focus on affordable housing and lower per capita consumption augurs well for the industry.

RISKS AND CONCERNS

The Company has a sound risk management process to identify risks and opportunities enabling the management to take strategic decisions. It involves mapping of all possible business risks, their likelihood and the consequential impact on business.

The Indian Ceramic Tile Industry has been highly fragmented and dominated by small and mid-sized entities largely operating in the unorganized segment. Overcapacity in the industry and increasing competition continues to be a potential risk. To combat the risk, your Company has expanded the product offerings and has also invested recently in upgrading facilities at its Sikandrabad plant. The Company is investing significantly in building brand preference and has plans to double its marketing investments in FY 2019-20.

Power & Fuel continues to be a key input for producing tiles and accounts for a significant portion of the total production cost. The rise in the prices of crude, electricity and gas could impact profitability of your Company. To minimize the impact, power and fuel consumptions are watched closely and optimized to the extent possible. The Company also keeps exploring alternative power and fuel solutions to optimize overall costs.

OPPORTUNITIES AND THREATS

Favorable demographics and various Government initiatives for infrastructure development are expected to drive demand for tiles in future. Focus on affordable housing projects, benign inflation and lower interest rates could help stimulate demand for the Real Estate Sector in the near to medium term.

National Green Tribunal (NGT) has recently ordered closure of coal gasifier-based tile units at Morbi to combat air and water pollution. This measure coupled with stricter implementation of GST and e-way Bill regulations augurs well for organized players.

Over the medium term, industry may continue to witness capacity additions, intense competition and thus volatile prices. Last year the gas prices had witnessed a significant increase and any increase hereon could pose further challenges for the profitability of the Industry.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Your Company deals with products which come under one segment only i.e. 'ceramic tiles'.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has effective financial, operational and other control systems which are carried out by internal process and which involve monitoring, independent evaluation and timely reporting to management in a systematic manner to ensure that all the activities are performed in accordance with current policies, methods, instructions and limits. Your Company has systematic audit process which is carried out in accordance with pre-approved internal audit plan independently as a part of internal control function and in the form of financial activities and compliance audit, independent of external auditor's activities considering the management and organizational needs.

Your Company has all the mechanisms concerning the process of standard – setting, reporting, verifying the compliance with standards, decision-making and implementing which are established by the Board of Directors in order to monitor, to keep under control and if necessary to change the risk/return structure of the future cash flows of the Company and accordingly the quality to the extent of the Company's activities.

Standard Operating Plans (SOPs) have been implemented which also streamline the internal processes to great extent and enhance efficiency, optimize cost and resource utilization and various other operational benefits. The Company has in place legal compliance software tool maintained and developed by an external expert agency which drills down the responsibility of compliance from top management to executive level. This process is fully automated and generate alerts for proper and timely compliance with regular MIS for Board's review.

DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statements have been prepared in compliance with the requirements of the Companies Act and the Accounting Standards issued by the Institute of Chartered Accountants of India.

1. **Sales** : The Company's Revenue from Operation (adjusted for Taxes) has been reduced to ₹ 56,945 lakhs in the year 2018-19 from ₹ 64,271 lakhs in the year 2017-18.

2. **Finance charges** : Finance charges for the year 2018-19 amounted to ₹ 871 lakhs as against the previous year of ₹ 728 lakhs.

3. **Depreciation** : The current year depreciation amounted to ₹ 1,652 lakhs as against ₹ 1,502 lakhs of previous year.

4. **Profit:**
   (a) Operating Profit before Depreciation and Taxation amounted to ₹ 3,895 lakhs as against the previous year of ₹ 4,937 lakhs.
   (b) Net Profit after tax for the year amounted to ₹ 890 lakhs as against the previous year of ₹ 4,005 lakhs.

5. **Net Working Capital:**

   Inventories decreased to ₹ 8,546 lakhs from ₹ 8,883 lakhs in the previous year.

   Sundry Debtors reduced to ₹ 11,621 lakhs as against ₹ 12,577 lakhs of previous year.

   Short term Loans, Advances and other Current Assets decreased to ₹ 641 lakhs from ₹ 668 lakhs in the previous year.

   Current liabilities and provisions: The amount of ₹ 8,517 lakhs include creditors for suppliers of raw materials, stores and spares, provisions for expenses and taxes, dividend and tax payable thereon, liabilities for gratuity and leave encashment.

6. **Borrowed funds** : As on 31.03.2019, the total borrowings of the Company was ₹ 10,098 lakhs as against ₹ 7,685 lakhs in the previous year.

HUMAN RESOURCE / INDUSTRIAL RELATIONS

Over the last year Human Resource Department has taken various initiatives for employee benefit and retention. The relationship of your Company with its employees had been cordial during the year. With the purpose of creating a bonding between management and employees down the level the Company regularly does Open House sessions not only at Head Office but various locations across the Country.

At the end of FY 2019, the Company had 843 permanent employees on its rolls.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

There is no significant change in Key Financial Ratios during the year under review except Interest Coverage Ratio, Operating profit margin ratio and Net profit margin ratio.

Interest coverage was impacted due to higher borrowings taken for expansion at Sikandrabad plant and lower earnings. Operating profit margin was lower than last year due to higher gas prices which could not be passed on to the end consumers in the absence of favorable market conditions. Net profit margin was also lower due an additional one time income on account of sale of investment during FY 2017-18.

RETURN ON NET WORTH

Return on net worth was impacted due to lower profitability.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion & Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. These statements being based on certain assumptions and expectation of future event actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting domestic demand supply conditions, finished goods prices, changes in Government Regulations and Tax regime, etc. The Company assumes no responsibility to publically amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi	**Madhur Daga**	**K.M. Pai**
Date: 22nd May, 2019	Managing Director	Director

CORPORATE GOVERNANCE REPORT

The disclosure report on compliance of Corporate Governance in accordance with the provisions contained in Regulations 17 to 27, 34(3) and Schedule V Para C, D, E and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") is set out below:

Orient Bell Limited's (OBL) Philosophy on Corporate Governance:

The cardinal principle of the Corporate Philosophy of OBL on Corporate Governance is -"Transparency, professionalism and Accountability with an ultimate aim of value creation". OBL's Corporate Philosophy envisages complete transparency and adequate disclosures with an ultimate aim of value creation for all players i.e. the Stakeholders, the Creditors, the Government and the Employees.

Board of Directors

I. Composition of Board

OBL's Board has a very pivotal role in the Company's operations and in ensuring that the Company should run on sound and ethical business practices and that its resources are utilized for creating sustainable and healthy growth.

The Board comprises of 6 (Six) Directors out of which 2 (two) are Executive Directors (one Executive Chairman & Whole Time Director and other one is Managing Director respectively) and 3 (Three) Independent & Non-Executive Directors including one woman director and 1 (One) Non-Independent & Non-Executive Director. The size and composition of the Board conforms to the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Composition of Directors and their other Directorships/Committee Memberships in other Companies are as follows:

Sl. No.	Name of Director	Category	Directorship in other companies*	Committee chairmanship **	Committee membership **
1.	Mr. Mahendra K. Daga	P-E-C-WTD	1	None	None
2.	Mr. Madhur Daga	P-E-MD	None	None	None
3.	Mr. K. M. Pai	NI- NED	1	1	1
4.	Mr. R. N. Bansal@	I-NED	None	None	None
5.	Mr. Sameer Kamboj	I-NED	None	None	None
6.	Mr. P. M. Mathai	I-NED	None	None	None
7.	Ms. Tanuja Joshi	I-NED	None	None	None

P-E-C-WTD Promoter & Executive Chairman and Whole Time Director

P-E-MD Promoter & Executive Managing Director

NI-NED Non-Independent Non-Executive Director

I-NED Independent Non-Executive Director

* Excludes the directorship held in private limited companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013. Mr. Mahendra K. Daga is a Director in an unlisted Company and Mr. K.M. Pai is an Independent Director in a listed company namely M/s VST Tillers Tractors Limited.

** The membership / chairmanship in Audit Committee and Stakeholders Relationship and Grievance Committee in all other public limited companies has been considered.

@ The Directorship of Mr. R. N. Bansal in the company has ended on 29.09.2018.

II. Attendance of Directors at the Board Meetings held during the financial year 2018-2019 and at the last Annual General Meeting (AGM)

The attendance record of each Director at the Board Meetings held during the year 2018-2019 and at the last Annual General Meeting is as follows:

Sl. No.	Name of Director	No. of meetings		Whether attended last AGM
		Held	Attended	
1.	Mr. Mahendra K. Daga	7	5	Yes
2.	Mr. Madhur Daga	7	7	Yes
3.	Mr. R. N. Bansal@	7	2	No
4.	Mr. Sameer Kamboj	7	7	Yes
5.	Mr. K. M. Pai	7	7	No
6.	Mr. P. M. Mathai	7	7	Yes
7.	Ms. Tanuja joshi	7	7	No

@ The Directorship of Mr. R. N. Bansal in the company has ended on 29.09.2018. He attended two Board meetings out of three board meetings held during the period from 01.04.2018 till the last day of his tenure i.e. upto 29.09.2018.

III. Meetings of the Board of Directors

Seven Board Meetings were held during the financial year 2018-19 on 21st May 2018, 29th June 2018, 09th August 2018, 13th November 2018, 01st December 2018, 30th January 2019 and 20th March 2019 respectively. The maximum time gap between any two meetings was 95 days and the minimum time gap was 17 days. The necessary quorum was present at all the meetings. The agenda papers were circulated well in advance of each meeting of the Board of Directors.

IV. Disclosure of relationships between directors inter-se

None of the Directors is/are in any way related except Mr. Mahendra K. Daga and Mr. Madhur Daga (who is son of Mr. Mahendra K. Daga).

V. Details of shareholding of Non-Executive Directors as on 31st March 2019

Name of Non-Executive Director	No. of shares held
Mr. P. M. Mathai	Nil
Ms. Tanuja Joshi	Nil
Mr. Sameer Kamboj	Nil
Mr. K. M. Pai	18,000

VI. Web link for details of familiarization programs imparted to Independent Directors

The details of familiarization programs imparted to Independent Directors are available on Company's website viz. https://www.orientbell.com.

VII. Separate Meeting for Independent Directors

The Independent Directors of the Company meet once in a financial year without the presence of Executive Directors and Management Personnel. Such Meeting reviews the performance of Non-Independent Directors and the Board as a whole, reviews the performance of Chairman of the Board, access the quality, quantity and timeliness of the flow of information between management and the Board that is necessary to effectively and reasonably perform its duties. A meeting of Independent Directors was held on 07th March, 2019 during FY 2018-19.

VIII. Detail of skills/ expertise/ competence of the Board of Directors

The Board of Directors has identified certain skills, expertise and competence as may be required in the context of its business viz., Positive attitude, Attention or concern for shareholder's interest, Promptness, Contribution in improving financial and other functions of the Company, Inputs on inclusion of matters to be discussed at Board Meetings to improvise the operating procedures, Understanding of laws having impact on Company's business and Tile industry as a whole, Clear sense of values and integrity, Implementation of policies and procedures as set out by the Board, Efforts in promoting and expanding the business, Brand Building and establishing a respectable place in the market, Controlling of various functions across the Company and ensuring their proper functioning and Ensuring smooth business operations across all the units of Company. The Board of Directors is competent in terms of above said skills/ expertise and competence.

IX. In the Opinion of the Board of Directors, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

X. No Independent Director has resigned during the financial year 2018-19. However, the term of Office of Mr. R.N. Bansal, as an Independent Director of the Company has ended on 29.09.2018.

COMMITTEES OF THE BOARD

(i) Audit Committee

Audit Committee of the Board is entrusted with the powers and the role that are in accordance with Regulation18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013.The terms of reference of the Audit Committee, inter alia, include over seeing financial reporting processes, reviewing periodic financial results, reviewing with the management the financial statements and adequacy of internal control systems, reviewing the adequacy of internal control function, discussions with the Internal and Statutory Auditors about the scope of audit including the observations of Auditors and discussion with them on any significant findings.

All the members of Audit Committee are financially literate. As on 31st March, 2019, Mr. Sameer Kamboj, Independent Director, a qualified Chartered Accountant and an expert in the fields of Finance, General Management and business processes, is the Chairman of the Audit Committee with Mr. P.M. Mathai and Mr. K. M. Pai as its members. The Company Secretary acts as the Secretary of the Committee.

During the financial year ended on 31st March 2019, four Audit Committee Meetings were held on 21st May 2018, 09th August 2018,13th November 2018 and 30th January 2019 respectively. The summary of attendance is as under:

Sl. No.	Name of Director	Category	No. of meetings	
			Held	Attended
1.	Mr. Sameer Kamboj	Independent, Non-Executive	4	4
2.	Mr. K. M. Pai	Non-Independent, Non-Executive	4	4
3.	Mr. P. M. Mathai	Independent, Non-Executive	4	4
4.	Mr. R. N. Bansal@	Independent, Non-Executive	4	1

@ The Directorship of Mr. R. N. Bansal in the company has ended on 29.09.2018. He attended one Audit Committee meeting out of two Audit Committee meetings held during the period from 01.04.2018 till the last day of his tenure i.e. upto 29.09.2018

(ii) Nomination and Remuneration Committee

The composition of the Committee as on 31st March, 2019 was Mr. P.M. Mathai as Chairman and Mr. K M Pai and Ms. Tanuja Joshi as its members. Mr. P.M. Mathai and Ms. Tanuja Joshi are the independent directors and Mr. K M Pai as Non-Independent– Non-Executive director. The Company Secretary acts as the Secretary of the committee.

During the year under review 4 (Four) meetings of the 'Nomination and Remuneration Committee' were held on 21st May 2018, 24th September 2018,13th November 2018 and 30th January 2019 respectively. The summary of attendance is as under:

Sl. No.	Name of Director	No. of meetings	
		Held	Attended
1.	Mr. P.M. Mathai	4	4
2.	Mr. K. M. Pai	4	3
3.	Ms. Tanuja Joshi	4	4
4.	Mr. R.N. Bansal@	4	1

@ The Directorship of Mr. R. N. Bansal in the company has ended on 29.09.2018. He attended one Nomination and Remuneration Committee meeting out of two Nomination and Remuneration Committee meetings held during the period from 01.04.2018 till the last day of his tenure i.e. upto 29.09.2018.

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. The role includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board's diversity; and identification of 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 their appointment and removal.

Remuneration Policy

In accordance with the principles of transparency and consistency, the Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management which has been lately approved by the Board of Directors of the Company at its meeting held on 20.03.2019. The Policy is available on the website of the Company at https://www.orientbell.com.

The detail of remuneration paid to the Directors during the financial year 2018-19 is as follows:

(Amount in ₹)

Name of the Director	Salary	Provident fund	NPS	Perquisites	Commis-sion	Sitting fee	Total
Mr. Mahendra K. Daga	2,02,17,600	21,600	-	1,85,395	-	-	2,04,24,595
Mr. Madhur Daga	1,08,00,000	21,600	7,20,000	2,55,672	-	-	1,17,97,272
Mr. K. M. Pai	11,25,000	3,600	-	79,05,908*	-	3,50,000	93,84,508
Mr. R. N. Bansal	-	-		-	-	1,50,000	1,50,000
Mr. P. M. Mathai	-	-		-	-	5,40,000	5,40,000
Ms. Tanuja Joshi	-	-		-	-	4,20,000	4,20,000
Mr. Sameer Kamboj	-	-		-	-	4,80,000	4,80,000

*Include ₹ 47,78,025/- towards ESOP

(iii) Stakeholders Relationship and Grievance Committee

As on 31st March, 2019, the Stakeholders Relationship and Grievance Committee comprises of Ms. Tanuja Joshi as its Chairman and Mr. K. M. Pai and Mr. Madhur Daga as its other two members. The Company Secretary acts as the Compliance Officer and Secretary of the Committee.

The Committee is entrusted with the powers to approve the share transfers, issue of duplicate share certificates, issue of new share certificates upon consolidation of shares, split of shares and also to resolve the grievances of members including complaints relating to transfer of shares, non receipt of balance sheet, non receipt of declared dividends etc.

During the year ended 31st March 2019, 4 (Four) Committee Meeting were held on 23rd April 2018, 08th June 2018, 01st September 2018 and 19th December 2018 respectively. The summary of attendance is as under:

Sl. No.	Name of Director	No. of meetings	
		Held	Attended
1.	Ms. Tanuja Joshi	4	4
2.	Mr. K.M. Pai	4	2
3.	Mr. Madhur Daga	4	4

To expedite the process of share transfers, the Board has delegated the power of share transfers to Company Secretary and to M/s MCS Share Transfer Agent Ltd. Registrar and Share Transfer Agents, who attend to the share transfers promptly.

No complaint was pending at the beginning of the financial year i.e. on 01st April 2018. During the year, the Company has received 3 (Three) complaints from members which were resolved and no complaint is pending for disposal as on 31st March,2019.

(iv) Finance and Borrowing Committee

The Finance and Borrowing Committee of the Board has been delegated with the powers to manage the banking operations, to open/close bank accounts, decide on the operational limits/ matrix of the authorised signatories in addition to borrow secured/unsecured funds, otherwise than by way of debentures from potential lenders to meet out the funding needs of the Company as may be arising from time to time.

The Committee comprise of three Directors viz. Mr. Mahendra K. Daga as Chairman, Mr. Madhur Daga and Mr. Sameer Kamboj as its members. The Company Secretary acts as the Secretary of the Committee.

During the year under review 4(Four) meetings of 'Finance and Borrowing Committee' were held on 25th April 2018, 15th May 2018, 24th August 2018 and 09th October 2018 respectively. The summary of attendance is as under:

Sl. No.	Name of Director	No. of meetings	
		Held	Attended
1.	Mr. Mahendra K. Daga	4	-
2.	Mr. Madhur Daga	4	4
3.	Mr. Sameer Kamboj	4	4

(v) Compensation Committee

The Company has Compensation Committee of the Board of Directors for the purpose of finalizing, administering, and supervising the matters applicable to grant, vesting and exercise of options under the Company's Employees Stock Option Scheme and the matters prescribed under the SEBI Guidelines. As on 31st March, 2019, the Committee comprise of the following Directors:

a. Mr. P.M. Mathai, Independent-Non Executive [Chairman]

b. Mr. Mahendra K. Daga, Promoter-Executive [Member]

c. Mr. Sameer Kamboj, Independent - Non Executive [Member]

During the year under review 5 (Five) meetings of 'Compensation Committee' were held on 17th April 2018, 29th June 2018, 09th August 2018, 13th November 2018 and 28th December 2018 respectively. The summary of attendance is as under:

Sl. No.	Name of Director	No. of meetings	
		Held	Attended
1.	Mr. P.M. Mathai	5	5
2.	Mr. Mahendra K. Daga	5	2
3.	Mr. Sameer Kamboj	5	5
4.	Mr. R.N. Bansal@	5	1

@ The Directorship of Mr. R. N. Bansal in the company has ended on 29.09.2018. He attended one Compensation Committee meeting out of three Compensation Committee meetings held during the period from 01.04.2018 till the last day of his tenure i.e. upto 29.09.2018.

(vi) Corporate Social Responsibility Committee

The composition of the Committee as on 31st March, 2019 was as under:

(i) Mr. Madhur Daga, Promoter-Executive - Chairman
(ii) Ms. Tanuja Joshi, Independent-Non Executive - Member
(iii) Mr. Sameer Kamboj, Independent-Non Executive - Member

The Committee is authorized to formulate and recommend to the Board, a CSR policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013; recommend the amount to be spent on such activities; monitor the Company's CSR policy periodically and institute a transparent monitoring mechanism for the implementation of CSR projects.

The CSR Policy of the Company as duly approved by the Board of Directors in its meeting held on 03.11.2014 as amended from time to time is available on the Company's website: https://www.orientbell.com.

The Committee met only once during the financial year 2018-19 in its meeting held on 21.05.2018. The summary of attendance is as under:

Sl. No.	Name of Director	No. of meetings	
		Held	Attended
1.	Mr. Madhur Daga	1	1
2.	Mr. Sameer Kamboj	1	1
3.	Ms. Tanuja Joshi	1	1
4.	Mr. R.N. Bansal@	1	1

@ The Directorship of Mr. R. N. Bansal in the Company has ended on 29.09.2018.

General Body Meetings

Detail of last three Annual General Meetings:

Year	Location	Day and Date	Time	Special resolutions
2015-16	Regd. Off.: 8, Industrial Area, Sikandrabad- 203 205, Distt. Bulandshahr (U.P.)	Wednesday, 14th Sept., 2016	11.30 a.m.	I. Re-appointment of Mr. Madhur Daga as Whole Time Director (designated as Joint Managing Director). II. Re-appointment of Mr. K.M. Pai as Whole Time Director (designated as Executive Director & Chief Financial Officer). III. Re-appointment of Mr. R.N. Bansal as an independent director of the Company.
2016-17	-do-	Friday, 22nd Sept., 2017	11.30 a.m.	I. Modification to the terms of appointment (change in designation) of Mr. Madhur Daga. II. Re-appointment & remuneration of Mr. Mahendra K. Daga as Chairman and Managing Director of the Company for a further period from 1st April, 2018 to 31st March, 2021, liable to retire by rotation.
2017-18	-do-	Monday, 24th Sept., 2018	11.30 a.m.	I. Change in designation of Mr. Mahendra K. Daga from Chairman & Managing Director to Chairman & Whole Time Director w.e.f. 01st October, 2018. II. Re-appointment and remuneration of Mr. Madhur Daga, Managing Director from 01st April, 2019 to 31st March, 2022, liable to retire by rotation.

All the above mentioned special resolutions were passed unanimously and no resolution was put through postal ballot.

Postal ballot

During the year ended 31st March, 2019, no resolution was passed through postal ballot. No resolution whether Special/ Ordinary Resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting.

Means of communication

The quarterly, half-yearly and annual results of the Company are submitted with Bombay Stock Exchange and National Stock Exchange where the equity shares of the Company are listed and the same are published in leading newspapers viz. Financial Express (English) and Jansatta (Hindi) in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

The results are also posted on Company's website viz. https://www.orientbell.com. The website of the Company also displays the information of the Company's products, dealers, availability among others. Presentations if made to the institutional investors and analysts, are also put upon the website of the Company.

The Company also dedicated an e-mail ID exclusively for redressal of investor complaints in compliance of Regulation 46(2)(J) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 namely investor@orientbell.com which is also displayed on the Company's website viz. https://www.orientbell.com.

Shareholding pattern as on 31st March 2019

Category	No. of shares	% of total shares
Promoter and promoter group	84,26,414	59.14
Public - Bodies Corporate	7,55,564	5.30
Public – other than Bodies Corporate	45,83,228	32.17
Public - NRIs/OCBs	4,83,370	3.39
Total	**1,42,48,576**	**100.00**

General Shareholder Information

Annual General Meeting

Date	24th July, 2019
Time	11.30 a.m.
Venue	8, Industrial Area, Sikandrabad-203 205, Distt. Bulandshahr (U.P.)
Financial Year	1st April to 31st March

Book closure dates for the purpose of dividend and Annual General Meeting

To determine the entitlement of members to receive the dividend for the year ended 31st March 2019, the Register of Members and Share Transfer Books of the Company will remain closed from 18th July, 2019 to 24th July, 2019 (both days inclusive) as well as for the purpose of Annual General Meeting.

Financial reporting for financial year 2019-20 is as follows:

Un-audited financial results for the quarter ended 30.06.2019	Will be announced within 45 days of the end of the quarter.*
Un-audited financial results for the quarter ended 30.09.2019	Will be announced within 45 days of the end of the quarter.*
Un-audited financial results for the quarter ended 31.12.2019	Will be announced within 45 days of the end of the quarter.*
Fourth/last quarter financial results	Audited financial results will be announced within 60 days of the end of the financial year.*

*Subject to change of law

Dividend payment for 2018-19

Dividend on equity shares as recommended by the Directors for the year ended 31st March, 2019 when declared at the Annual General Meeting will be paid within stipulated period:

a. In respect of shares held in physical form, to those members whose names appear in the Register of Members of the Company as on17th July, 2019; and

b. in respect of shares held in electronic form, to those 'deemed members' whose names appear in the statements of beneficial ownership furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the end of the business hours on 17th July, 2019.

Listing

Presently, the Equity Shares of the Company are listed on the following Stock Exchanges:

NAME OF STOCK EXCHANGE	STOCK CODE
BSE Ltd. (BSE) PJ Towers, Dalal Street, Mumbai – 400001	530365
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051.	ORIENTBELL

The Company has paid the requisite Annual Listing Fee to BSE and NSE for the financial year 2019–20 within stipulated time.

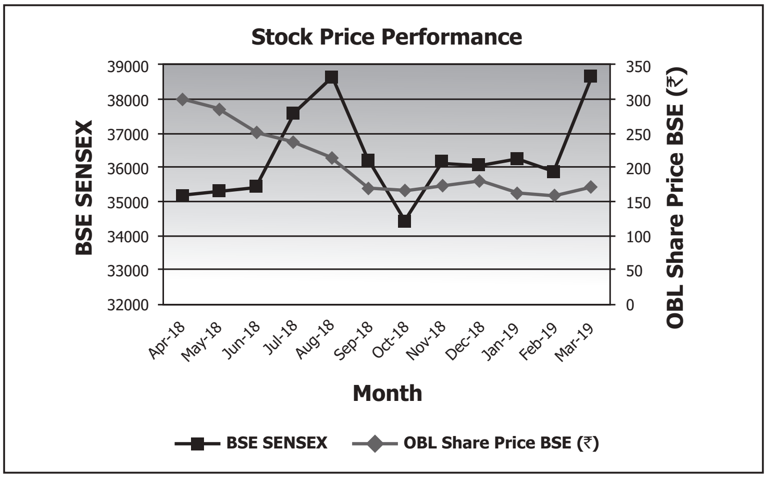
Market price data

The monthly high and low price of shares traded on the BSE Ltd and the National Stock Exchange of India Ltd are as follows:

Month	BSE Limited				BSE Sensex Month Close	National Stock Exchange of India Limited			
	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares Traded		High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares Traded
Apr-18	332.15	270.50	300.00	1,57,546	35,160.36	329.95	265.15	297.85	1,88,036
May-18	310.00	272.00	286.15	1,68,694	35,322.38	313.90	271.05	288.40	2,40,771
Jun-18	292.00	243.05	252.65	68,016	35,423.48	290.90	245.10	254.60	140,113
Jul-18	285.00	232.85	237.50	1,78,428	37,606.58	289.00	232.50	237.05	812,242
Aug-18	258.00	195.50	215.45	1,38,417	38,645.07	258.50	195.10	215.80	869,549
Sep-18	223.70	162.55	169.90	78,626	36,227.14	225.00	165.25	169.35	1,50,601
Oct-18	196.55	158.70	165.75	90,886	34,442.05	199.00	159.20	164.35	2,03,328
Nov-18	208.45	161.50	174.20	76,100	36,194.30	208.95	161.15	171.30	2,30,647
Dec-18	191.50	154.20	180.60	32,346	36,068.33	192.90	158.75	180.25	2,83,904
Jan-19	212.15	158.80	162.00	2,83,916	36,256.69	209.30	158.05	160.00	18,03,280
Feb-19	168.70	141.75	159.10	46,689	35,867.44	168.70	140.65	160.05	3,40,594
Mar-19	184.00	158.95	172.50	41,222	38,672.91	186.00	158.50	172.90	2,08,194

Stock price performance

The performance of Company's Equity Shares during F.Y. 2018-19 in comparison to BSE's Sensitive Index was as follows:



In case, the securities are suspended from trading, reason thereof:

Not applicable, since the securities of the Company have not been suspended from trading.

Registrar and Share Transfer Agent

M/s. MCS Share Transfer Agent Ltd.
F-65, Okhla Industrial Area, Phase-I
New Delhi-110 020
Phone No. : (011) 41406149
Fax No. : (011) 41709881
E-mail : admin@mcsregistrars.com

Share transfer system

Trading in equity shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form. Shares sent for transfer in physical form are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of share transfers, the Stakeholders Relationship and Grievance Committee / its delegated authority meets as often as required.

Distribution of shareholding as on 31st March 2019

No. of Shares	Total members	%Total members	Total shares	% Total shares
Up to 500	13,357	91.51	9,62,702	6.76
501 to 1,000	537	3.68	4,10,035	2.88
1,001 to 2,000	295	2.02	4,27,765	3.01
2,001 to 3,000	111	0.77	2,72,149	1.91
3,001 to 4,000	44	0.30	1,58,131	1.11
4,001 to 5,000	43	0.29	2,02,530	1.42
5,001 to 10,000	107	0.73	7,59,762	5.33
10,001 to 50,000	86	0.59	16,59,194	11.64
50,001 to 1,00,000	8	0.05	5,78,797	4.06
1,00,001 and above	9	0.06	88,17,511	61.88
Total	**14,597**	**100.00**	**1,42,48,576**	**100.00**

Dematerialisation of shares and liquidity

The Equity Shares of the Company are in compulsory DEMAT mode. In order to enable the members to hold their shares in electronic form and to facilitate scriptless trading, the Company has enlisted its shares with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Status of dematerialisation as on 31st March 2019

Electronic holdings			Physical holdings			Total		
No.of folios	No.of shares	%	No.of folios	No.of shares	%	No.of folios	No.of shares	%
11,706	1,39,58,495	97.96	2,891	2,90,081	2.04	14,597	1,42,48,576	100.00

The Company is making efforts to increase the dematerialisation of shares.

ISIN number allotted by NSDL and CDSL: INE607D01018

CIN : L14101UP1977PLC021546

Outstanding GDRs/ADRs/Warrants

There are no Global Depository Receipts (GDRs)/American Depository Receipts (ADRs) or any convertible instrument pending for conversion.

Commodity price risk or foreign exchange risk and hedging activities

During F.Y. 2018-19 the Company had managed the foreign exchange risk involving foreign currency though it was not a significant amount. The details of foreign currency exposure are disclosed in note no. 45 to the Annual Accounts.

Registered Office:

8, Industrial Area,
Sikandrabad-203 205
Distt. Bulandshahr (U.P.)

Corporate office

Iris House,
16, Business Centre
Nangal Raya
New Delhi-110 046
Phone :(011) 47119100
E-mail: investor@orientbell.com
Website: www.orientbell.com

Address for correspondence:

Shareholder Services
Orient Bell Limited
Iris House, 16, Business Centre
Nangal Raya, New Delhi-110 046
Phone: (011) 47119100
E-mail: investor@orientbell.com
Website: www.orientbell.com

Plants:

(i) Industrial Area,
Sikandrabad-203 205,
Bulandshahr (U.P.)

(ii) Village Dora, Taluka Amod,
Dist. Bharuch – 392 230,
Gujarat

(iii) Village Chokkahalli,
Taluka Hoskote,
Bengaluru (Rural) - 562 114,
Karnataka

Credit Rating

The Company has obtained the Credit Ratings for its long term and short term debt by CRISIL Limited as under:

Long Term – CRISIL A- (Stable)

Short Term – CRISIL A2+

Disclosures

(i) The Company does not have any material related party transactions that may have potential conflict with the interests of the Company at large. The details of related party information and transactions are placed before the Audit Committee from time to time. The disclosures regarding the transactions with the related parties are disclosed in note no. 41 forming part of the Accounts. The Company has formulated a Related Party Transactions Policy which specifies the manner of entering into related party transactions. This policy has been posted on the website of the Company at https://www.orientbell.com.

(ii) The Company has complied with all the guidelines provided by Stock Exchanges and SEBI or any other statutory authority and no penalties or strictures were imposed on the Company on any matter relating to the capital markets, during the last three years.

(iii) As mandated under Section 177 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated and adopted a Vigil Mechanism cum Whistle Blower Policy. Under the said policy, any communication that discloses or demonstrates information that may evidence unethical or improper activity shall be addressed to the Chairman of the Audit Committee. A copy of the same may also be addressed to the Chief Executive Officer of the Company. No personnel has been denied access to the audit committee. The Vigil Mechanism cum Whistle Blower Policy is available on the website of the Company at https://www.orientbell.com.

(iv) The Company is complying with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted the following discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The internal auditor of the Company reports directly to the Audit Committee.

(v) The Company has formulated a Policy for determining 'material' subsidiaries as defined under Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy has been posted on the website of the Company at https://www.orientbell.com.

(vi) There was no preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vii) None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the SEBI / Ministry of Corporate Affairs or any such Statutory Authority. A Certificate in this regard issued by Ashu Gupta & Co., Company Secretaries ***is appended hereto as Annexure A.***

(viii) The Board has always accepted all the recommendations of all the Committees at any relevant point of time during the FY 2018-19.

(ix) The total fee paid to the Statutory Auditors during FY 2018-19 was ₹ 23.51 lakhs.

(x) During the year under review, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the status of complaints filed, disposed and pending is as under:

a.	number of complaints filed during the financial year	-	Nil
b.	number of complaints disposed of during the financial year	-	Nil
c.	number of complaints pending as on end of the financial year	-	Nil

(xi) The Company has complied with -

a. All the requirements of corporate governance report as mentioned at sub paras (2) to (10) of Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. All the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Subsidiary companies

The Company has no subsidiary.

Code of Conduct

The Board has adopted a Code of Conduct for the Board Members and Senior Management of the Company. The same has also been posted on the website of the Company. All Board Members and Senior Management personnel have affirmed their compliance with the code. A declaration signed by the Chief Executive Ofifcer is given below:

"I, Aditya Gupta, Chief Executive Officer of Orient Bell Limited, do hereby confirm that all the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel in respect of the financial year ended on 31st March, 2019."

Place : New Delhi
Date : 07th May, 2019

Aditya Gupta
Chief Executive Officer

Auditors' Certificate on Corporate Governance

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors' certificate ***is appended hereto as Annexure-B***.

Compliance Certificate issued by Chief Executive Officer and Chief Financial Officer

The Chief Executive Officer and Chief Financial Officer have furnished a Compliance Certificate to the Board of Directors under Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

Disclosures with respect to Demat suspense account / unclaimed suspense account

Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 01.04.2018		Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Aggregate number of shareholders and the outstanding shares in the suspense account lying on 31.03.2019	
Shareholders	No. of Shares			Shareholders	No. of Shares
106	22,902	NIL	NIL	106	22,902

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi
Date : 22nd May, 2019

Madhur Daga
Managing Director

K.M. Pai
Director

Annexure 'A'

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Orient Bell Limited
8, Industrial Area, Sikandrabad
Distt.- Bulandshahr, UP-203 205

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Orient Bell Limited** (herein after referred to as 'the Company') having CIN L14101UP1977PLC021546 and having registered office at 8, Industrial Area, Sikandrabad, Distt.- Bulandshahr, UP-203 205, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority :

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Shri Mahendra Kumar Daga	00062503	09/12/1993
2.	Shri Madhur Daga	00062149	01/01/1998
3.	Shri Sameer Kamboj	01033071	27/07/2016
4.	Shri Kashinath Martu Pai	01171860	01/06/2018
5.	Smt. Tanuja Joshi	02065607	03/11/2014
6.	Shri Puthuparambil Mathai Mathai	05249199	23/04/2012

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

Ashu Gupta
Membership No.: 4123
CP No.: 6646

Place : New Delhi
Date : 21.05.2019

Annexure 'B'

AUDITOR CERTIFICATE

To the Members of **ORIENT BELL LIMITED**

1. We, B.R. Gupta & Co., Chartered Accountants, the Statutory Auditors of ORIENT BELL LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENT'S RESPONSIBILITY

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

AUDITORS' RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

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

For **B.R. Gupta & Co.**
Chartered Accountants
Firm's Registration Number: 008352N

Deepak Agarwal
Partner
(FCA-073696)
UDIN: 19073696AAAAAB4436

Date : May 22, 2019
Place: New Delhi

Independent Auditor's Report

To the Members of ORIENT BELL LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Orient Bell Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as" the standalone financial statements").

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

Basis for Opinion

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

Key Audit Matters

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

S.No.	Key Audit Matters	How our audit addressed the key audit matter
1.	**Appropriateness of Capitalization Cost as per Ind AS 16- Property, Plant and Equipment (PPE)** (Refer to the accompanying note 4 forming integral part of the Standalone Financial Statements) The Company has made substantial capitalization under - Plant & Machinery and Buildings, pertaining to a new production line at one of its manufacturing facilities. This area was significant to our audit because: - of significance of amount capitalized, and - risk pertaining to the appropriateness of expenditure considered for capitalization	Our procedure in relation to appropriateness of capitalization cost as per Ind AS 16 includes the following: a) **Substantive testing:** - Evaluated the approval of Board of Directors of the Company for new production line. - Evaluated and tested the design and operating effectiveness of key controls relating to various costs incurred in relation to Property, Plant and Equipment. - Tested on sample basis expenditures with focus on those items (example purchase cost, borrowing cost, stores and spares, repair & maintenance etc.) that we considered significant due to their amount or nature. - Verified and tested, on sample basis, amounts capitalized during the year against underlying supporting documents to ascertain nature of costs and whether they meet the recognition criteria specified in Ind AS 16. - Reviewed the physical verification report of PPE. - Ensured adequacy of disclosures in the financial statements. b) **Controls testing** : Wherever appropriate, our substantive work was supplemented by controls testing work which encompassed understanding, evaluating

		and testing key controls in respect of review of purchase orders, authorization of assets acquisition, external and plant manager certification, capitalization of pending capital advances, ageing of capital work in progress and allocation of administrative and operative expenditure for capitalization. Our procedure as mentioned above did not identify any costs that had been inappropriately capitalized.
2.	**Accounting for Customer Schemes, discounts and other trade promotional expenditure** (Refer to the accompanying note 23 forming integral part of the Standalone Financial Statements) In line with normal industry practice and overall objective of increase in the revenue, the Company has varied incentive programs and discount policies in place. These include volume based rebates and schemes and trade spend commitments which are driven by customers achieving sales volume targets agreed with the Company over a pre-determined period. These rebates and schemes on sales are accounted for as a deduction from revenue and recognized in the period to which it relates in accordance with the customer agreement. This area was significant to our audit because: - those areas are subject to judgmental estimates and assessments that are material; and - these expenses vary with regards to the nature and timing of the activity to which it relates Our focus was on assessing the accuracy of the expense charged, whether the amount recognized were recorded in the appropriate period and the completeness of the expense.	Our audit work in respect of accounting for customer schemes, discounts and other trade promotional expenditure comprised a combination of substantive testing, control testing and an assessment of the Company's disclosures in this regard. The audit procedures include the following steps: a) Substantive testing: - Tested a sample of underlying agreements to obtain evidence in support of amount and timing of recognition of both customer rebates & other promotional expenditure. This involved evaluating whether the amount & timing of recognition was consistent with the contractual arrangements. - Critically assessed the judgements taken by the Company in estimating year end accruals for amounts owing to customers. This included retrospective analysis/tests to assess the accuracy of the accruals in previous years, alongside the use of key assumptions of rebate/ discount terms and in the case of volume rebates, the level of sales likely to occur in the period under audit, with reference to historic events. - Held discussions with the sales teams to understand the complexities, if any of these agreements and any unusual trends in the year. - Tested post-year end credit notes issued and debit notes received, where applicable, to determine whether specific promotions were appropriately provided for as at the reporting date at the appropriate amount. b) Controls testing: Wherever appropriate, our substantive work was supplemented by controls testing work which encompassed understanding, evaluating and testing key controls in respect of the approval of customer rebates, discounts and other trade promotional expenditure. Our procedures as mentioned above did not identify any findings that are significant for the financial statements as whole in respect of accounting for customer schemes, discounts and other trade promotional expenditure
3.	**Credit Risk vis-à-vis impairment of trade receivables as per Ind AS 109** (Refer to the accompanying note 11 forming integral part of the Standalone Financial Statements) The Company continuously monitors defaults of customers and incorporates this information into its credit risks controls. The Company uses Expected Credit Loss model to assess the impairment loss and makes an allowance of doubtful debts using this model. This area was significant to our audit because: - Credit risk arises from the possibility that the	Our procedure in relation to appropriateness of judgements used and calculation of allowance of doubtful debts vis-à-vis credit risk controls includes the following: a) Substantive testing: - Obtained an understanding of management's process and evaluated design and tested operating effectiveness of controls around identification of indicators of Impairment vis-à-vis credit risk. - Tested on sample basis, receivables balances that were provided during the year to determine the accuracy of judgements made by the Company in Expected Credit Loss Model.

	customer(s) may not be able to settle their obligations. - Impairment of receivables is a subjective area due to level of judgement applied by management in determining the impairment allowance. In addition to above, our focus was on assessing the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and ageing of such receivables.	- Analyzed the significant receivables aged over normal credit period and in particular over one year by the way of alternate audit procedures like subsequent realization reconciliations. This also includes classifying the credit impaired receivables on the basis of external balance confirmations, ageing of receivables and requirement of write off that results from possible default events, such as customer declaring bankruptcy or a litigation decided against the Company. - Inspected arrangements and / or correspondences with the customers to assess the recoverability of long outstanding receivables. b) Controls testing : Wherever appropriate, our substantive work was supplemented by controls testing work which encompassed understanding, evaluating and testing key controls in respect of Company's credit management procedures including the controls around credit approvals, established credit terms, and reviewing the payment history. Our procedures as mentioned above did not identify any findings that are significant for the financial statements as whole in respect of impairment of trade receivables vis-à-vis level of exposure of Company to credit risk from its operating activities.

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

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charge with Governance for the Standalone Financial Statements

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

In preparing the standalone financial statements, the board of directors 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 board of director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

- 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 with reference to standalone financial statements 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with 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. On the basis of written representations received from the management of the Company, the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note No. 37 to the standalone financial statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. With respect to the matter to be included in the Auditors' report under Section 197(16):

   In our opinion and according to the information and explanation given to us, the Company has paid remuneration to its directors during the year is in accordance with the provisions of and limit laid down under section 197 read with Schedule V of the Act.

For **B.R. Gupta & Co.**
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership No. 073696

Place of Signature : New Delhi
Dated : 22 May, 2019

Annexure 'A' to the Independent Auditors' Report of even date on the standalone financial statements of Orient Bell Limited

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2019, we report that:

i) In respect of fixed assets:

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 the 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 program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) On the basis of written representation received from the management of the Company, the title deeds of immovable properties held in the name of the Company are mortgaged with the Banks for securing the long term borrowings and credit limits raised by the Company. In case of immovable properties that have been taken on lease and disclosed as property, plant and equipment in the financial statements, we report that the lease agreement are in name of the Company.

ii) In respect of its inventory:

a) On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the year. In our opinion the frequency of physical verification followed by the management is reasonable. However, we were being informed that physical verification of clay was made on the basis of volume and density which is approximately correct.

b) No material discrepancies were noticed on verification between the physical stocks and the book records.

iii) (a) to (c) According to the information and explanation given to us, the Company had not granted loans, secured or unsecured, to any of the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iii) (a) to (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

iv) According to the information and explanation given to us, the Company has no transaction of loans, guarantees, and security during the year covered under the provisions of section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

v) In our opinion and according to the information and explanation given to us, since the Company has not accepted any deposits therefore the question of the compliance of any directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not arise.

vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014 dated December 31, 2014 (as amended from time to time) to the current operations carried out by the Company. Accordingly, the provisions of paragraph 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

vii) In respect to statutory dues:

a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, duty of Customs,Goods and Service Tax and any other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, duty of Customs,Goods and Service Tax and any other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues of Income Tax or Sales Tax or Goods and Service Tax or Service Tax or duty of Customs or duty of Excise or Value Added Tax which have not been deposited on account of any dispute except the following, which have not been deposited on account of dispute:

Name of the Statute	Nature of Dispute	Amount (in ₹)	Period	Forum where dispute is pending
U.P. Vat Act	Entry tax and other dues	11,91,100	2000-01 & 2003-04	Allahabad High Court
U.P. Vat Act	Form 3B Misused By Indian Oil Corporation	5,64,710	2000-2001	Tribunal Ghaziabad
U.P. Vat Act	Entry tax and other dues	3,20,813	2002-03	Ghaziabad Tribunal

Name of the Statue	Nature of Dispute	Amount (in ₹)	Period	Forum where dispute is pending
U.P. Vat Act	Sales Tax Demand	69,189	2003-04	Allahabad High Court
U.P. Vat Act	Sales Tax Demand	10,98,623	2003-04	
U.P. Vat Act	Sales Tax Demand	23,94,965	2003-04	
U.P. Vat Act	Advance Agst Form C	10,02,338	2011-12	Tribunal Ghaziabad
U.P. Vat Act	Vehicle Seizure Order Hearing Notice	2,80,000	2013-14	Tribunal Ghaziabad
U.P. Vat Act	Vehicle Seizure Order Hearing Notice	1,56,600	2016-17	DC Sikandrabad
U.P. Vat Act	Vehicle Seizure Order Hearing Notice	1,98,650	2016-17	DC Sikandrabad
U.P. Vat Act	Vehicle Seizure Order Hearing Notice	2,03,000	2016-17	DC Sikandrabad
U.P. Vat Act	Vehicle Seizure Order Hearing Notice	1,24,700	2016-17	DC Sikandrabad
U.P. Vat Act	Vehicle Seizure Order Hearing Notice	1,25,000	2016-17	DC Sikandrabad
U.P. Vat Act	Vehicle Seizure Order Hearing Notice	2,28,838	2016-17	DC Sikandrabad
U.P. Vat Act	Vehicle Seizure Order Hearing Notice	69,660	2017-18	DC Sikandrabad
U.P. Vat Act	Vehicle Seizure Order Hearing Notice	55,800	2017-18	DC Sikandrabad
U.P. Vat Act	Vehicle Seizure Order Hearing Notice	10,51,515	2017-18	DC Sikandrabad
Gujrat VAT	Sales Tax Demand	2,80,259	2010-11	Asstt. Comm. of Commercial Tax
Gujrat VAT	Sales Tax Demand	4,72,499	2006-07	Gujarat VAT Tribunal,
Gujrat CST	VAT/CST Demand	5,08,000	2013-14	State Deputy Commissioner, Ahmedabad
Gujrat CST/VST	VAT/CST Demand	19,07,161	2014-15	
A.P.VAT Act	Sales Tax demand	4,89,768	2005-06 & 2006-07	High Court of A.P.
Kerala Vat Act	Sales Tax Demand	4,38,904	2005-06	Assistant commissioner, Ernakulum
Kerala Vat Act	Sales Tax Demand	26,39,208	2009-10	
Kerala Vat Act	Sales Tax Demand	55,526	2008-09	
Kerala Vat Act	OBL Kerala 12-13 under VAT Act	1,16,22,439	2012-13	
Kerala Vat Act	BCL Kerala under Vat Act	1,14,512	2012-13	Commissioner (Appeals) DC

Name of the Statue	Nature of Dispute	Amount (in ₹)	Period	Forum where dispute is pending
A.P.VAT Act	Sales Tax Demand	10,68,317	2009-10	Commissioner (Appeals)
A.P.VAT Act	Sales Tax Demand	10,68,317	2009-10	
Goa VAT Act	Sales Tax Demand	3,707	2008-09	Assistant commissioner, Goa
Haryana Vat Act	Sales Tax Demand	1,21,318	2015-16	Commissioner (Appeal)
Mumbai VAT Department	BCL-Mumbai : Tax demand on Vehicle Sale	27,246	2006-07	VAT Officer
Delhi VAT	CST Act' Self-Asstt demand	9,884	2013-14	VAT Officer
Delhi VAT	Unpaid Challan demand	66,894	2006-07	VAT Officer
Delhi VAT	CST Act' Asstt demand	1,11,732	2008-09	VAT Officer
Delhi VAT	CST Act' Asstt demand	2,89,470	2009-10	VAT Officer
Delhi VAT	CST Act' Asstt demand	2,46,849	2011-12	VAT Officer
Central Excise & Customs Act	Excise & other dues	1,02,69,255	2010-2017	CESTAT, Ahmedabad
Income Tax Act, 1961	Income Tax demand	22,37,194	AY:1995-96	Gujarat High Court
Income Tax Act, 1961	Income Tax demand	16,92,841	AY:1990-91	ITAT, Ahmedabad
Income Tax Act, 1961	Income Tax demand	7,62,880	AY:2003-04	
Income Tax Act, 1961	Income Tax demand	16,30,483	AY:2003-04	
Income Tax Act, 1961	Income Tax demand	3,10,57,825	AY:2011-12	CIT (Appeals), Ahmedabad

viii) On the basis of information and explanation provided to us, the Company has not defaulted in repayment of loans and borrowings to financial institution and bank. The Company has not taken any loan from Government and also has not issued any debentures.

ix) The Company did not raise any money by the way of initial public or further public offer (including debt instruments) during the year. The term loans taken during the year were applied for the purpose for which the same has been raised.

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

xi) In our opinion and according to the information and explanation given to us, the Company has paid/ provided managerial remuneration to its directors during the year in accordance with provisions of section 197 read with Schedule V to the Companies Act, 2013 as applicable to the Company.

xii) The Company is not a nidhi company hence the provisions of paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

xiii) During the course of our examination of the books and records of the Company, all transactions entered with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

xv) The Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

For **B.R. Gupta & Co.**
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership No. 073696

Place of Signature : New Delhi
Date : 22 May, 2019

Annexure 'B' to the Independent Auditors' Report of even date on the standalone financial statement of Orient Bell Limited

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 with reference to financial statements of **Orient Bell Limited ("the Company")** as of March 31, 2019 in conjunction with our audit of the stand alone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on "the internal control with reference to financial statements 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 **B.R. Gupta & Co.**
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership No. 073696

Place of Signature : New Delhi
Date : 22 May, 2019

Balance Sheet as at March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Assets			
I. Non-Current Assets			
(a) Property, Plant and Equipment	4	23,870.66	19,636.01
(b) Capital Work-in-Progress	5	102.15	102.58
(c) Intangible Assets	6	11.57	13.90
(d) Financial Assets			
(i) Investments	7	572.00	572.00
(ii) Other Financial Assets	8	317.19	312.02
(e) Other Non Current Assets	9	93.16	344.73
Total Non-Current Assets		**24,966.73**	**20,981.24**
Current Assets			
(a) Inventories	10	8,545.74	8,883.33
(b) Financial Assets			
(i) Trade Receivables	11	11,621.49	12,577.03
(ii) Cash and Cash Equivalents	12	10.65	25.65
(iii) Bank Balances other than (ii) above	13	344.27	250.34
(iv) Other Financial Assets	8	28.70	61.47
(c) Other Current Assets	9	257.48	330.66
Total Current Assets		**20,808.33**	**22,128.48**
Total Assets		**45,775.06**	**43,109.72**
II. Equity And Liabilities			
Equity			
(a) Equity Share Capital	14A	1,424.86	1,423.11
(b) Other Equity	15	21,735.35	20,756.55
Total Equity		**23,160.21**	**22,179.66**
Liabilities			
Non- Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	4,513.38	2,736.57
(ii) Other Financial Liabilities	17	1,037.66	1,048.09
(b) Provisions	18	242.28	268.82
(c) Deferred Tax Liabilities (Net)	19	2,719.81	2,519.75
Total Non- Current Liabilities		**8,513.13**	**6,573.23**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	5,584.53	4,948.55
(ii) Trade Payables	20		
a) Total Outstanding Dues to Micro and Small Enterprises		2.57	-
b) Total Outstanding Dues to Parties Other than Micro and Small Enterprises		7,085.45	7,829.84
(iii) Other Financial Liabilities	17	27.03	42.70
(b) Other Current Liabilities	21	1,266.27	1,383.65
(c) Provisions	18	56.63	115.17
(d) Current Tax Liabilities (Net)	22	79.24	36.92
Total Current Liabilities		**14,101.72**	**14,356.83**
Total Equity and Liabilities		**45,775.06**	**43,109.72**
Summary of Significant Accounting Policies	3		

The accompanying notes are integral part of the financial statements.

As per our Report of even date attached

For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

for & on behalf of Board of Directors of Orient Bell Limited

(Deepak Agarwal)
Partner
Membership Number 073696

Madhur Daga
Managing Director
DIN 00062149

Sameer Kamboj
Director
DIN 01033071

Place of Signature : New Delhi
Date : May 22, 2019

Aditya Gupta
Chief Executive Officer

Himanshu Jindal
Chief Financial Officer

Yogesh Mendiratta
Company Secretary
M. No 13615

Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	Note No.	For the Year ended March 31, 2019	For the Year ended March 31, 2018
I	Revenue from Operations	23	57,113.90	65,936.68
II	Other Income	24	193.51	238.20
III	Total Income (I+II)		**57,307.41**	**66,174.88**
IV	Expenses			
	(a) Cost of Materials Consumed	25	8,935.78	11,135.87
	(b) Excise Duty	26	-	1,155.46
	(c) Purchases of Stock-in-Trade	27	17,327.73	18,242.01
	(d) Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	28	(592.25)	(605.81)
	(e) Employee benefits expense	29	7,564.65	7,604.53
	(f) Finance costs	30	870.87	727.81
	(g) Depreciation and amortization expense	31	1,652.13	1,502.08
	(h) Other expenses	32	20,177.17	23,705.91
	Total expenses		**55,936.08**	**63,467.86**
V	Profit/ (loss) before exceptional items and tax (III-IV)		**1,371.33**	**2,707.02**
VI	Exceptional Items	33	-	2,026.70
VII	Profit/ (loss) before tax (V+VI)		**1,371.33**	**4,733.72**
VIII	Tax expense:	34		
	(a) Current tax		302.55	1,005.60
	Less:- Mat Credit Entitlement		(172.72)	(60.29)
	(b) Adjustment of tax relating to earlier periods		13.42	(143.02)
	(c) Deferred tax		338.51	(73.36)
	Total tax expense		**481.76**	**728.93**
IX	Profit/(loss) for the year (VII-VIII)		**889.57**	**4,004.79**
X	Other Comprehensive Income			
(A)	(i) Items that will not be reclassified subsequently to statement of profit and loss		98.05	120.25
	(a) Re-measurement gains/ (losses) on defined benefit plans			
	(ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss		(34.26)	(41.62)
(B)	(i) Items that will be reclassified subsequently to statement of profit and loss		-	-
	(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-
	Other comprehensive income for the year, net of tax		**63.79**	**78.63**
XI	Total comprehensive income for the year, net of tax		**953.36**	**4,083.42**
XII	Earnings per share: (Face value ₹ 10 per share)	35		
	1) Basic (amount in ₹)		6.24	28.18
	2) Diluted (amount in ₹)		6.20	28.14
	Summary of Significant Accounting Policies	3		
	The accompanying notes are integral part of the financial statements.			

As per our Report of even date attached
For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

for & on behalf of Board of Directors of Orient Bell Limited

(Deepak Agarwal)
Partner
Membership Number 073696

Madhur Daga
Managing Director
DIN 00062149

Sameer Kamboj
Director
DIN 01033071

Place of Signature : New Delhi
Date : May 22, 2019

Aditya Gupta
Chief Executive Officer

Himanshu Jindal
Chief Financial Officer

Yogesh Mendiratta
Company Secretary
M. No 13615

Statement of Changes in Equity for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Amount
A. Equity Share Capital	
Opening Balance as at April 01, 2017	1,418.96
Changes during the year	4.15
Closing Balance as at March 31, 2018	1,423.11
Changes during the year	1.75
Closing Balance as at March 31, 2019	**1,424.86**

B. Other Equity

	Reserve & Surplus							Item of OCI	Total equity
	Capital Reserve	Security Premium	Capital Restructuring	Amalgamation Reserve	Share Options Outstanding Account	General Reserve	Retained earnings	Remeasurements of net defined benefit plans	
Balance as at April 01, 2017	25.57	1,219.42	46.16	913.04	42.87	4,882.91	9,754.25	(181.22)	16,703.00
Net Income/ Loss for the year	-	-	-	-	-	-	4,004.79	-	4,004.79
Add: Other comprehensive income	-	-	-	-	-	-	-	78.63	78.63
Employee Stock Option Scheme	-	37.76	-	-	17.76	-	-	-	55.52
Final Dividend for the FY 16-17 (Refer Note 47)	-	-	-	-	-	-	(70.95)	-	(70.95)
Dividend Distribution Tax	-	-	-	-	-	-	(14.44)	-	(14.44)
Balance as at March 31, 2018	**25.57**	**1,257.18**	**46.16**	**913.04**	**60.63**	**4,882.91**	**13,673.65**	**(102.59)**	**20,756.54**
Net Income/ Loss for the year	-	-	-	-	-	-	889.57	-	889.57
Add: Other comprehensive income	-	-	-	-	-	-	-	63.79	63.79
Employee Stock Option Scheme	-	20.46	-	-	90.88	-	-	-	111.34
Final Dividend for the FY 17-18 (Refer Note 47)	-	-	-	-	-	-	(71.24)	-	(71.24)
Dividend Distribution Tax	-	-	-	-	-	-	(14.64)	-	(14.64)
Balance as at March 31, 2019	**25.57**	**1,277.63**	**46.16**	**913.04**	**151.51**	**4,882.91**	**14,477.33**	**(38.80)**	**21,735.35**
Summary of Significant Accounting Policies (Refer Note 3)									

The accompanying notes are integral part of the financial statements.

As per our Report of even date attached
For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership Number 073696

Place of Signature : New Delhi
Date : May 22, 2019

for & on behalf of Board of Directors of Orient Bell Limited

Madhur Daga
Managing Director
DIN 00062149

Sameer Kamboj
Director
DIN 01033071

Aditya Gupta
Chief Executive Officer

Himanshu Jindal
Chief Financial Officer

Yogesh Mendiratta
Company Secretary
M. No 13615

Cash Flow Statement for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		For the Year ended March 31, 2019	For the Year ended March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit Before Tax		**1,371.33**	**4,733.72**
Adjustments for:			
Depreciation and amortization		1,652.13	1,502.08
Interest Paid		867.65	720.61
Impact of effective interest rate adjustment on borrowings		6.31	4.72
Provision for employee benefit		113.09	59.67
Loss/(Gain) on sale of fixed assets		(51.65)	162.66
Interest on delayed payment of Taxes		3.22	2.48
Provision for doubtful receivables written back		(7.55)	(33.64)
Unwinding of discount on deposits		(5.85)	(6.10)
Interest Income		(40.30)	(165.69)
Excess liability written back		(39.66)	(3.94)
Provision for Slow Moving of Inventories- Finished Goods		30.21	20.35
Provision for doubtful debts		12.20	-
Bad Debts Written Off		8.40	35.43
Operating Profit Before Working Capital Changes		**3,919.53**	**7,032.35**
Movement In Working Capital:			
Increase/(Decrease) in Trade Payables & Other Current Liabilities		(835.23)	408.22
Increase/(Decrease) in Other Long Term Liabilities		(10.43)	60.61
Increase/(Decrease) in Provisions		12.97	(213.39)
(Increase)/Decrease in Trade Receivables		942.49	(2,368.96)
(Increase)/Decrease in Inventories		307.38	(1,446.84)
(Increase)/Decrease in Other Current Assets and other bank balances		17.87	492.01
(Increase)/Decrease in Other Non-Current Assets		18.05	6.27
Cash Generated From Operations		**4,372.63**	**3,970.28**
Direct Tax paid (Net of Refunds)		(276.87)	(1,240.31)
Net Cash Inflow From/(Used In) Operating Activities	(A)	**4,095.76**	**2,729.97**
Cash Flows From Investing Activities			
Purchase of Property, Plant and Equipment		(5,797.83)	(1,548.24)
Sale Proceeds of Property, Plant and Equipment		193.83	95.09
Purchases of Investments		-	(260.00)
Sale of Investments		-	2,022.76
Interest Income		40.30	165.69
Net Cash From/ (Used In) Investing Activities	(B)	**(5,563.70)**	**475.30**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		For the Year ended March 31, 2019	For the Year ended March 31, 2018
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital & Premium		-	-
Increase/ (Decrease) in Long Term & Short Term Borrowings		2,406.48	(2,384.80)
Dividend Paid		(85.89)	(85.39)
Interest paid (net)		(867.65)	(720.61)
Net cash inflow from/(used in) Financing Activities	**(C)**	**1,452.94**	**(3,190.80)**
Net Increase / (Decrease) In Cash And Cash Equivalents	**(A+B+C)**	**(15.00)**	**14.47**
Opening Balance of Cash and Cash Equivalents		25.65	11.18
Total Cash And Cash Equivalent (Note No. 12)		**10.65**	**25.65**
Components Of Cash And Cash Equivalents			
Cash on hand		3.32	5.17
With banks - on current account and deposits with banks		7.33	20.48
Total Cash and Cash equivalent (Note No. 12)		**10.65**	**25.65**
Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached
For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership Number 073696

Place of Signature : New Delhi
Date : May 22, 2019

for & on behalf of Board of Directors of Orient Bell Limited

Madhur Daga
Managing Director
DIN 00062149

Sameer Kamboj
Director
DIN 01033071

Aditya Gupta
Chief Executive Officer

Himanshu Jindal
Chief Financial Officer

Yogesh Mendiratta
Company Secretary
M. No 13615

Notes to Financial Statements for the year ended March 31, 2019

NOTE 1 : CORPORATE INFORMATION

Orient Bell Limited (hereinafter referred as the Company) was incorporated on May 18, 1977 and is engaged in the manufacturing, trading and selling of ceramic and floor tiles. The Company is a public limited company incorporated and domiciled in India and has its registered office at Sikandrabad, Uttar Pradesh, India. The Company has its primary listings on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The financial statement are approved by the Board of Directors in their Board Meeting held on May 22, 2019.

NOTE 2 : STATEMENT OF COMPLIANCE

The Financial Statements are prepared on an accrual basis under historical cost Convention. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.

The Accounting Policies are applied consistently to all the periods presented in the financial statements.

Basis of Preparation and presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value and defined benefit plans — Plan assets measured at fair value at the end of each reporting period, as explained in the relevant accounting policies mentioned.

The financial statements are presented in ₹ and all values are rounded to the nearest Lakhs except otherwise stated.

Going Concern

The board of directors have considered the financial position of the Company at 31st March 2019, the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

Recent accounting pronouncement

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying amendments to Ind AS 12 'Income Taxes', introduced the Appendix 'C' to Ind AS 12 'Uncertainty over Income Tax Treatments', amendments to Ind AS 19, 'Employee Benefits' and also introduced new standard Ind AS 116 'Leases'. These amendments rules are applicable to the Company from April 1, 2019.

Ind AS 116 Leases :

On March 30, 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. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which are to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax Credits and tax rates.

Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

Notes to Financial Statements for the year ended March 31, 2019

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders.

Amendment to Ind AS 19 – Plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Application of New Accounting Pronouncements

The following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules 2018, were applied by the Company during the year.

- Ind AS 115, Revenue from contracts with customers with effect from April 1, 2018.
- Appendix B to Ind AS 21, Foreign Currency Transactions and advance consideration with effect from April 1, 2018.

Note 3: Significant Accounting Policies

a) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

Use of Estimates and Judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Also, the Company has made certain judgements in applying accounting policies which have an effect on amounts recognized in the financial statements.

i) Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

ii) Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

iii) Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible.

Notes to Financial Statements for the year ended March 31, 2019

Management considers the projected future taxable income and tax planning strategies in making this assessment.

iv) Defined benefit plans

The present value of the gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the actuary considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

v) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets:

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle.

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities:

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) 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 classified as non-current.

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

Operating cycle: The operating cycle is the time between the acquisition of assets / liabilities for processing and their realisation / payment in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) Property, Plant and Equipment (PPE)

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

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

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Notes to Financial Statements for the year ended March 31, 2019

Subsequent costs : The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred.

Decommissioning Costs : The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work in progress : Capital work in progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date. The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st Apirl, 2016 as the deemed cost under IND AS.

Depreciation : Depreciation on PPE are provided to the extent of depreciable amount on straight line basis (SLM). Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 except on certain assets, where useful life has been taken based on external / internal technical evaluation which is given below in table. Leasehold Land and Leasehold Improvements are amortised over the period of lease or useful life of assets whichever is lower. The residual values, useful lives are reviewed at each financial year end and adjusted appropriately.

Particulars	Useful life as per Schedule II of Companies Act, 2013 (Years)	Management Estimate of Useful Life (Years)*
Plant and Machinery		
Moulds	25 years	5 years
Punches	25 years	5 years
Digital Machine	25 years	10 years
Others	25 years	18 years
Office Equipment		
Mobiles	5 years	3 years

*For these classes of assets, based on internal assessment by technical team, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

d) Intangible Assets

Recognition and measurement

Intangible assets that are acquired by the Company are measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. All expenditures, qualifying as Intangible Assets are amortized over estimated useful life. Specialized softwares are amortized over a period of 3 years or license period whichever is earlier.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of Profit and Loss.

Amortisation

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2016 as the deemed cost under IND AS.

e) Borrowing Costs

Borrowing costs consists of interest and amortization of ancillary costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest cost.

Notes to Financial Statements for the year ended March 31, 2019

f) Foreign Currency Transaction

Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (₹ in lakhs) which is Company's functional currency and also the Presentational currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

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

Advances received or paid in foreign currency are recognised at exchange rate on the date of transaction and are not retranslated.

g) Revenue Recognition

The Company derives revenues primarily from sale of manufactured goods and traded goods.

Effective 01 April, 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers'. The effect on adoption of Ind-AS 115 was insignificant.

Revenue from sale of products is recognized upon transfer of control to customers. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods to a customer as specified in a contract, excluding amounts collected on behalf of third parties (for example, taxes and duties collected on behalf of the Government). A receivable is recognized upon satisfaction of performance obligations as per the Contracts.

Use of significant Judgements in Revenue Recognition

- Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as volume discounts, price concessions, incentives etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.
- The Company assesses its revenue arrangements against specific recognition criterias like exposure to the significant risks and rewards associated with the sale of goods. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Company and its customers are reviewed to determine each party's respective role in the transaction.

Other Operating Revenue

Dividend income is recognized when the right to receive payment is established.

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

Claims receivables on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

h) Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. The cost of various components of inventory is determined as follows:-

Raw Materials, Stores, Spares and Packing Material	Cost includes purchase price, non refundable duties, taxes and all other costs incurred in bringing the inventories to their present location. Cost is determined on First In First Out (FIFO) basis.
Stocks-in-process and Finished Goods	Cost includes material cost and also includes an appropriate portion of allocable overheads. Cost is determined on First in First Out basis.
Traded Goods	Cost includes purchase cost, duties, taxes and all other costs incurred in bringing the inventory to their present location. Cost is determined on First In First Out (FIFO) basis.

Notes to Financial Statements for the year ended March 31, 2019

i) 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 lease.

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. All the lease other than Finance lease are classified as operating lease.

Finance lease

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease

A lease where risks and rewards incidental to ownership of an asset substantially vest with the lessor is classified as operating lease. Lease payments under operating leases are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

The Company has ascertained that the payments to the lessor that are structured in line with expected general inflation to compensate for the lessor's expected inflationary cost are not straight-lined. Hence, the lease payments are recognised on an accrual basis as per terms of the lease agreement.

Lease income from operating leases where the Company is a lessor is recognized in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

j) Employee's Benefits

Short Term Employee Benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and thereafter, will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance Schemes are defined contribution scheme and contributions paid / payable are recognised as an expense in the statement of profit and loss during the year in which the employee renders the related service.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities.

Re-measurements, comprising actuarial gains and losses including, the effect of the changes to the asset ceiling (if applicable), is reflected immediately in Other Comprehensive Income they are included in retained earnings in the statement of Changes in Equity and Balance Sheet. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Notes to Financial Statements for the year ended March 31, 2019

Other Long Term Benefits

Long term compensated absences are provided for on the basis of actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains / loss are recognised in Statement of Profit & Loss. On the basis of Company's policy, compensated absences upto 50 days (60 days in case of Dora Worker and 30 days in case of SKD workers) are recognised as long term employee benefit & compensated absences beyond 60/50/30 days as may be applicable, shall lapse after the end of financial year.

Employees Share Based Payment

Employees (including senior executives) of the Group receive component of remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled Transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits.

k) Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and 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.

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

Contingent liability is disclosed in the case of;

i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle obligation;

ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

l) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(i) Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Notes to Financial Statements for the year ended March 31, 2019

(ii) Classification and Subsequent measurement

(a) Financial Assets

For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial Asset carried at amortised cost
- Financial Asset at fair value through other comprehensive income (FVTOCI)
- Financial Asset at fair value through profit and loss (FVTPL)

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

• **Financial Asset carried at amortised cost**

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

• **Financial Asset at fair value through other comprehensive income (FVTOCI)**

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

• **Financial Asset at fair value through profit and loss (FVTPL)**

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

• **Equity investment in Associates**

Investments representing equity interest in associates are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Company had elected for one time IND AS 101 exemption and adopted the fair value of ₹10 of its investment in equity shares of its associates as its deemed cost as at the date of transition.

De-recognition

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

(i) The contractual rights to receive cash flows from the asset has expired, or

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

(b) Financial Liabilities

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities at Amortized cost

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Notes to Financial Statements for the year ended March 31, 2019

De-recognition

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

(c) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

m) Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

n) Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

An impairment loss is recognized, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in statement of profit and loss.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

o) Fair Value Measurement

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

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level

Notes to Financial Statements for the year ended March 31, 2019

input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

p) Taxes on Income

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses (if any). Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement ". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

In accordance with Ind AS 12 Company is grouping MAT credit entitlement with Deferred Tax Assets / Liability (Net).

q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r) Earnings per share (EPS)

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

Notes to Financial Statements for the year ended March 31, 2019

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

s) Segment Reporting

The Company has the policy of reporting the segments in a manner consistent with the internal reporting provided to the chief decision maker. The chief decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

Notes to Financial Statements for the year ended March 31, 2019

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Land- Free-hold	Land- Lease-hold	Buildings	Leasehold Improve-ments	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installations & Equipment	Computers	Total
Gross Block (At Deemed Cost)											
As at April 01, 2017	5,841.48	183.60	4,787.50	337.15	10,281.54	47.49	321.74	65.81	49.64	61.54	21,977.49
Add: Additions made during the year	10.52	-	170.64	55.04	957.13	8.24	17.39	11.50	1.93	38.02	1,270.41
Less: Disposals/adjustments during the year	-	-	38.17	-	216.19	10.34	35.22	5.26	11.58	0.60	317.36
As at March 31, 2018	5,852.01	183.60	4,919.97	392.19	11,022.48	45.38	303.90	72.05	40.00	98.96	22,930.54
Add: Additions made during the year	-	-	1,514.76	52.77	4,276.12	2.24	133.17	12.41	11.41	19.47	6,022.35
Less: Disposals/adjustments during the year	-	-	11.17	3.94	45.45	-	134.73	0.70	-	19.43	215.42
As at March 31, 2019	5,852.01	183.60	6,423.56	441.02	15,253.15	47.62	302.34	83.76	51.41	99.00	28,737.47
Depreciation and impairment											
As at April 01, 2017	-	2.74	253.78	57.35	1,443.36	9.00	48.22	18.03	7.39	17.89	1,857.76
Add: Depreciation charge for the year	-	2.74	245.18	65.77	1,088.01	6.48	49.64	17.87	6.67	14.01	1,496.37
Less: Disposals/adjustments during the year	-	-	4.25	-	37.09	3.39	7.38	1.51	5.98	-	59.60
As at March 31, 2018	-	5.48	494.72	123.11	2,494.28	12.09	90.48	34.38	8.08	31.90	3,294.53
Add: Depreciation charge for the year	-	2.74	247.78	59.96	1,241.64	5.53	46.05	15.73	4.72	21.39	1,645.54
Less: Disposals/adjustments during the year	-	-	0.83	2.65	6.42	-	60.87	0.66	-	1.83	73.26
As at March 31, 2019	-	8.22	741.67	180.42	3,729.50	17.62	75.66	49.45	12.80	51.46	4,866.81
Net book value											
As at March 31, 2019	5,852.01	175.38	5,681.90	260.60	11,523.65	30.00	226.68	34.30	38.61	47.54	23,870.66
As at March 31, 2018	5,852.01	178.12	4,425.26	269.08	8,528.20	33.29	213.42	37.66	31.92	67.06	19,636.01

a) In earlier years, the Company had acquired a land from Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) at Industrial Park, Phase-II, Peddapuram, East Godavari District, Andhra Pradesh. Due to non- implementation of agreed project by the Company, the Company had received a notice from APIIC for resumption of such allotment in F.Y. 2016-17. Against such notice, the Company has filed a writ petition before High Court of Andhra Pradesh to set aside the said notice of APIIC. Subsequently, the Company has received a stay order from the Hon'ble High Court granting interim suspension of the proceedings in said notice of APIIC. As on the reporting date, the matter involved is sub-judiced before the Hon'ble High Court of Andhra Pradesh.

b) Refer Note No. 16 for information on Property, Plant and Equipment pledged as security by the Company.

c) Gross carrying amount of fully depreciated Property, Plant and Equipment that is still in use as at March 31, 2019: ₹992.31 Lakhs.

Notes to Financial Statements for the year ended March 31, 2019

NOTE 5 : CAPITAL WORK IN PROGRESS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2019	As At March 31, 2018
Capital work in progress	102.15	102.58
	102.15	102.58
a) Breakup of Capital Work in Progress is as follows:		
Buildings	70.04	-
Plant and Equipment	32.11	102.58
	102.15	102.58

NOTE 6 : OTHER INTANGIBLE ASSETS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Computer Software	Total
At Deemed Cost		
Gross block		
As at April 01, 2017	13.11	13.11
Add: Additions during the year	14.87	14.87
Less: Disposals / adjustments during the year	-	-
As at March 31, 2018	27.98	27.98
Add: Additions during the year	4.26	4.26
Less: Disposals / adjustments during the year	-	-
As at March 31, 2019	32.24	32.24
Amortisation and impairment		
As at April 01, 2017	8.36	8.36
Add: Amortisation charge for the year	5.72	5.72
Less: On disposals/adjustments during the year	-	-
As at March 31, 2018	14.08	14.08
Add: Amortisation charge for the year	6.59	6.59
Less: On disposals / adjustments during the year	-	-
As at March 31, 2019	20.67	20.67
Net book value		
As at March 31, 2019	11.57	11.57
As at March 31, 2018	13.90	13.90

Notes to Financial Statements for the year ended March 31, 2019

NOTE 7 : NON-CURRENT INVESTMENTS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2019	As At March 31, 2018
Investment in Associates		
Unquoted		
31,20,000 (March 31, 2018 : 31,20,000) Equity Shares of Proton Granito Private Limited of ₹ 10 each, fully paid up	312.00	312.00
26,00,000 (March 31, 2018 : 26,00,000) Equity Shares of Corial Ceramic Private Limited of ₹ 10 each, fully paid up	260.00	260.00
	572.00	**572.00**
Aggregate value of unquoted investments	572.00	572.00

a) Information about Associates

Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of equity Interest	
	As At March 31, 2019	As At March 31, 2018
Proton Granito Private Limited, India, Manufacturing of Vitrified Tiles	19.50 %	19.50 %
Corial Ceramic Private Limited, India, Manufacturing of Ceramic Tiles	26.00 %	26.00%

NOTE 8 : OTHER FINANCIAL ASSETS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Security Deposits (Unsecured, considered good (Refer to note 'a' and 'b' below)	313.16	307.83	6.92	41.44
Deposits with original maturity of more than 12 months (Refer to note 'c' and 'd' below)	3.65	3.98	-	-
Interest accrued on security deposits	-	-	19.06	19.15
Interest accrued on fixed deposits	0.38	0.21	2.72	0.88
	317.19	**312.02**	**28.70**	**61.47**

a) The Company has determined its security deposits are not in the nature of loans and accordingly have been classified as part of other financial assets.

b) Out of the above security deposit ₹ 10 lakh (March 31, 2018: ₹ 10 Lakh) pertains to the related parties.

c) Fixed Deposits with a carrying amount of ₹ Nil (March 31, 2018 : ₹ 0.42 Lakh) are subject to first charge to secure the Company's loans from banks.

d) Fixed Deposits with a carrying amount of ₹ 3.65 Lakh (March 31, 2018 : ₹ 3.56 Lakh) are pledged with Government Authorities.

Notes to Financial Statements for the year ended March 31, 2019

NOTE 9 : OTHER ASSETS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good, unless other-wise stated)				
Capital Advances	17.39	245.75	-	-
Balance with Government Authorities	49.59	75.10	8.30	80.73
Advances to Employees	-	-	12.05	14.39
Advances to Suppliers	-	-	51.61	119.17
Deferred Payment Assets	8.83	13.88	4.21	5.27
Gratuity Fund (Refer Note 36)	-	-	61.65	-
Prepaid Expenses	17.35	10.00	119.66	111.10
	93.16	**344.73**	**257.48**	**330.66**

a) Advance to Suppliers includes balances of related parties amounts to ₹ Nil as at March 31, 2019 (March 31, 2018 : ₹ 36.50 Lakh)

NOTE 10 : INVENTORIES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Materials	697.90	1,405.71
Work In Progress	91.90	76.50
Finished Goods	6,124.50	5,595.79
Stock-in Trade	193.27	145.13
Stores and Spares	1,159.70	1,517.09
Goods In Transit-Stores & Spares	217.13	-
Packing Material	111.90	163.46
	8,596.30	**8,903.68**
Less Provisions for Slow and Non moving Inventories - Finished Goods	50.56	20.35
	8,545.74	**8,883.33**

a) For mode of valuation Refer Note 3(h)

NOTE 11 : TRADE RECEIVABLES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		As at March 31, 2019	As at March 31, 2018
- Considered Good - Secured	(A)	330.42	362.41
- Considered Good - Unsecured		11,334.48	12,245.82
Less: Allowance for Expected Credit Loss		43.41	31.21
	(B)	**11,291.07**	**12,214.61**
- Credit Impaired		-	7.55
Less: Allowance for Expected Credit Loss		-	7.55
	(C)	-	0.00
	(A+B+C)	**11,621.49**	**12,577.03**

a) The Company has no receivables which have significant increase in credit risk (Refer Note 45).

b) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

Notes to Financial Statements for the year ended March 31, 2019

c) Nor any trade or other receivable are due from firms or private companies in which any director is a partner, director or a member.

d) Trade receivables are generally on terms of not more than 90 days.

NOTE 12 : CASH AND CASH EQUIVALENTS

(All amounts in ₹ lakhs, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Balances with Banks:		
- Current Account	7.33	5.48
- Deposits with Original Maturity of Less than 3 Months (Refer Note 'a' & 'b')	-	15.00
Cash on Hand	0.85	3.45
Foreign Cash on Hand	2.47	1.72
	10.65	**25.65**

a) Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

b) Fixed Deposits with a carrying amount of ₹ Nil (March 31, 2018 : ₹ 15 Lakh) are subject to first charge to secure the Company's loans from banks.

c) For the purpose of the statement of cash flow, cash and cash equivalents are same given above.

NOTE 13 : BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENT

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Earmarked balances with banks				
- Unpaid Dividend Account	-	-	11.99	14.05
- Deposits with original maturity of more than 3 months but less than 12 months (Refer note 'a' & 'b' below)	-	-	332.28	236.29
- Deposits with original maturity of more than 12 months	3.65	3.98	-	-
	3.65	3.98	344.27	250.34
Less: Amount disclosed under "Other Financial Assets" (Refer Note 8)	3.65	3.98	-	-
	-	-	**344.27**	**250.34**

a) Fixed Deposits with a carrying amount of ₹ 332.03 Lakh (March 31, 2018 : ₹ 235.96 Lakh) are subject to first charge to secure the Company's loans from banks.

b) Fixed Deposits with a carrying amount of ₹ 0.25 Lakh (March 31, 2018 : ₹ 0.33 Lakh) are pledged with Government Authorities.

Notes to Financial Statements for the year ended March 31, 2019

NOTE 14 A: EQUITY SHARE CAPITAL

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised 4,00,00,000 (March 31, 2018 : 4,00,00,000) Equity Share of ₹ 10 each*	4,000.00	4,000.00
	4,000.00	**4,000.00**
Issued, subscribed and paid up 1,42,48,576 (March 31, 2018 : 1,42,31,076) Equity Share of ₹ 10 each*, fully paid up	1,424.86	1,423.11
	1,424.86	**1,423.11**

a) **Reconciliation of Issued and Subscribed Share Capital:**

Particulars	No. of shares*	Amount in ₹ Lakhs
Balance as at April 1, 2017	**1,41,89,601**	**1,418.96**
Add: ESOP shares issued during the year	41,475	4.15
Balance as at March 31, 2018	**1,42,31,076**	**1,423.11**
Add: ESOP shares issued during the year	17,500	1.75
Balance as at March 31, 2019	**1,42,48,576**	**1,424.86**

b) **Terms/ rights attached to equity shares:**

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2019, the amount of per share dividend proposed as distributions to equity shareholders was ₹ 0.50 per share (March 31, 2018: ₹ 0.50 per share). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Details of Shareholders Holding More than 5% Shares In the Company**

Name of Party	As at March 31, 2019		As at March 31, 2018	
	No. of shares*	Holding %	No. of shares*	Holding %
Mr. Mahendra K Daga	30,35,625	21.30	28,98,716	20.37
Mr. Madhur Daga	12,87,417	9.04	12,73,264	8.95
Good Team Investment & Trading Company Private Limited	23,88,973	16.77	23,78,914	16.72

d) **Shares reserved for issue under options**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares*	Amount	No. of shares*	Amount
Under 2013 Orient Bell Employee Stock Option Scheme: Equity Shares of ₹ 10 each, at an exercise price of ₹ Nil Per Share	-	-	17,500	-

NOTE 14B : PREFERENCE SHARE CAPITAL

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised 1,50,00,000 (March 31, 2018: 1,50,00,000) Non Convertible Redeemable Cumulative Preference Shares of ₹ 10 each*	1,500.00	1,500.00
	1,500.00	**1,500.00**

* Number of Shares are given in absolute numbers.

Notes to Financial Statements for the year ended March 31, 2019

NOTE 15 : OTHER EQUITY

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Reserve	25.57	25.57
Securities Premium	1,277.63	1,257.18
Capital Restructuring	46.16	46.16
Amalgamation Reserve	913.04	913.04
Share Options Outstanding Account	151.51	60.63
General Reserve	4,882.91	4,882.91
Retained Earnings	14,477.33	13,673.65
Other Comprehensive Income	(38.80)	(102.59)
	21,735.35	**20,756.55**

a) For Movement during the period in Other Equity, refer “Statement of Change in Equity”.

b) Nature and Purpose of Other Reserves

(i) Capital Reserves

Capital Reserve was carried forward under the previous GAAP from the books of Amalgmating Company at the time of Amalgamation.

(ii) Security Premium Reserve

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve will be utilised in accordance with provisions of the Companies Act 2013.

(iii) Capital Restructuring

Capital Restructuring reserve was carried forward under the previous GAAP from the books of Amalgmating Company at the time of Amalgamation.

(iv) Amalgamation Reserve

Amalgamation reserve was created under the previous GAAP on the basis of scheme of amalgamation of Bell Ceramics Limited with the Company as approved by the High Court of Allahabad and Gujrat in the year ended March 31, 2012.

(v) Share Options Outstanding Account

The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

(vi) General Reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956 in earlier years. Mandatory transfer to general reserve is not required under the Companies Act 2013.

(vii) Retained Earnings

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

All the profits made by the Company are transferred to retained earnings from statement of profit and loss. However retained earnings includes ₹ 4,340.04 Lakh (March 31, 2018 : ₹ 4,401.25 Lakh) on account of amount transferred from revaluation reserve which is not available for distribution (to the extent of value of depreciable assets).

Notes to Financial Statements for the year ended March 31, 2019

NOTE 16 : BORROWINGS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Secured Loans				
Term Loan				
From Banks				
Corporate loans	2,863.37	736.62	854.63	498.99
Vehicle loans	38.10	7.52	25.90	19.36
From Financial Institution	111.91	299.03	208.71	198.56
Cash Credit Facilities	-	-	1,501.86	2,735.33
Working Capital Demand Loan	-	-	2,799.90	1,200.00
Unsecured Loans				
Term Loan From Bank				
Corporate loans	-	193.40	193.53	296.31
From Related Parties	1,500.00	1,500.00	-	-
	4,513.38	**2,736.57**	**5,584.53**	**4,948.55**

a) For Interest rate and Liquidity risk related disclosures, refer note 45.

b) **The Nature of Security for Term Loan are :**

i) The above Secured Loans, ₹ 4,102.63 Lakh (March 31, 2018: ₹ 1,760.08 Lakh) are secured by way of first pari passu charge on entire fixed assets excluding assets having specific charge, both present and future, and collaterally by way of second pari passu charge on the current assets of the Company. These pertains to various bankers and financial institution namely, Tata Capital Financial Services Ltd, ICICI Bank, IDFC Bank and Axis Bank.

ii) Vehicle loans are secured by way of hypothecation of respective vehicles with the various Bankers and Financial Institution namely Daimler Financial Services India Pvt. Ltd., HDFC Bank, ICICI Bank and Axis Bank.

c) **The Nature of Security for Cash Credit & Working Capital Loan are :**

i) The Company has a consortium of Various bankers namely State Bank of India, Punjab National Bank, IDBI Bank, Indus Ind Bank , IDFC Bank and Axis Bank (hereafter called the "Consortium") for Non Current Borrowings (secured).

ii) The above Cash Credit and Working Capital Loans ₹ 4,301.76 Lakh (March 31, 2018: ₹ 3,935.33 Lakh) are primarily secured by way of first pari passu charge on entire current assets of the Company and collaterally by way of second pari passu charge on the entire fixed assets excluding assets having specific charge, both present & future.

iii) The demand loans are repayable on demand and carries interest rate ranges from 8.50% to 11.75% per annum

d) **Maturity Profile- Secured Term Loans**

(All amounts in ₹ lakhs, unless otherwise stated)

Maturity profile of Secured Term Loans is as set out below :	2019-20	2020-21	Beyond 2020-21
Term loan from Banks and Financial Institution are repayable in monthly/ quarterly/yearly installments	1,053.83	1,144.00	1,819.23
Vehicle loans from banks and Financial Institution are repayable in monthly installments	35.43	33.97	16.18

e) The term loan(s) carries rate of interest ranging between 8.70% to 12.10% per annum.

f) **Maturity Profile- Unsecured Loans**

(All amounts in ₹ lakhs, unless otherwise stated)

Maturity profile of Unsecured Term Loans is as set out below :	2019-20	2020-21	Beyond 2020-21
Term loan from bank is repayable in monthly/quarterly installments	193.53	-	-

Notes to Financial Statements for the year ended March 31, 2019

g) **The nature of guarantee for Unsecured Loans are :**
Unsecured loan from Bank is secured against property of Promoter at Kolkata.

h) Trade deposits are not in the nature of borrowings and hence are re-grouped from Borrowings to Other Financial Liabilities as at March 31, 2019.

NOTE 17 : OTHER FINANCIAL LIABILITIES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Trade Deposits (Refer note 'a' & 'b' below)	1,006.37	1,018.22	-	-
Earnest Money Received from Employees	29.41	27.93	0.54	6.29
Security From Employees	1.88	1.94	-	-
Interest Accrued but not due on Borrowings	-	-	14.50	22.36
Unpaid Dividends (Refer Note 'c' below)	-	-	11.99	14.05
	1,037.66	**1,048.09**	**27.03**	**42.70**

a) Trade deposits are repayable on cessation of business transaction with dealers. The trade deposits carry rate of interest @ 7% per annum.

b) Trade deposits are not in the nature of borrowings and hence are re-grouped from Borrowings to Other Financial Liabilities as at March 31, 2019 and March 31, 2018.

c) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as March 31, 2019 (March 31, 2018: Nil,).

NOTE 18 : PROVISIONS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits				
Compensated Absenses (Refer Note 36)	233.43	260.28	53.82	47.55
Gratuity (Refer Note 36)			-	66.68
Other Provisions				
Lease Equalisation Reserve	8.85	8.54	2.81	0.94
	242.28	268.82	56.63	115.17

a) For Movement in Provisions refer Note 46.

NOTE 19: DEFERRED TAX LIABILITIES (NET)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Gross Deferred Tax Liabilities	3,097.00	2,749.20
Gross Deferred Tax Assets	(144.19)	(169.16)
Minimum Alternate Tax Credit Entitlement	(233.01)	(60.29)
	2,719.81	**2,519.75**

Notes to Financial Statements for the year ended March 31, 2019

a) Movement in Deferred Tax Liabilities (Net)

(All amounts in ₹ lakhs, unless otherwise stated)

	As At March 31, 2017	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2018
Deferred tax assets relates to the following:				
Provision for employee benefits	264.17	(77.75)	(41.62)	144.79
Lease equalisation reserve	2.60	0.68	-	3.28
Provision for Slow Moving of Inventories	-	7.04	-	7.04
Deferred Assets	0.39	0.04	-	0.43
Provision for Trade Receivables	25.06	(11.64)	-	13.41
Others	2.56	(2.36)	-	0.20
	294.77	**(84.00)**	**(41.62)**	**169.16**
Deferred tax liability relates to the following:				
Property, plant and equipment	2,903.56	(156.61)	-	2,746.96
Borrowing (EIR)	2.99	(1.51)	-	1.49
Other	-	0.76	-	0.76
	2,906.56	**(157.36)**	**-**	**2,749.20**
Minimum Alternate Tax Credit Entitlement	-	60.29	-	60.29
Total deferred tax assets/(liabilities) (Net)	**2,611.78**	**(133.65)**	**41.62**	**2,519.75**

Movement in Deferred Tax Liabilities (Net)

(All amounts in ₹ lakhs, unless otherwise stated)

	As At March 31, 2018	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2019
Deferred tax assets relates to the following:				
Provision for Employee Benefits	144.79	(8.25)	(34.26)	102.28
Lease equalisation reserve	3.28	0.79	-	4.07
Provision for Slow Moving of Inventories	7.04	10.63	-	17.67
Deferred Assets	0.43	0.41	-	0.84
Provision for Trade Receivables	13.41	1.75	-	15.17
Others	0.20	3.97	-	4.16
	169.16	**9.29**	**(34.26)**	**144.19**
Deferred tax liability relates to the following:				
Property, plant and equipment	2,746.96	321.36	-	3,068.32
Borrowing (EIR)	1.49	5.66	-	7.14
Gratuity	-	21.54	-	21.54
Others	0.76	(0.76)	-	
	2,749.20	**347.80**	**-**	**3,097.00**
Minimum Alternate Tax Credit Entitlement	60.29	172.72	-	233.01
Total deferred tax assets/(liabiities) (Net)	**2,519.75**	**165.79**	**34.26**	**2,719.81**

b) MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

Notes to Financial Statements for the year ended March 31, 2019

NOTE 20 : TRADE PAYABLES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
- Outstanding Dues to Micro and Small Enterprises	2.57	-
- Others	7,085.45	7,829.84
	7,088.02	**7,829.84**

a) Trade payables are non-interest bearing and are normally settled within 90-day terms except for SME's (if any) which are settled within 45 days.

b) Trade payables to related parties amounts to ₹ 921.24 Lakh as at March 31, 2019 (March 31, 2018 : ₹ 690.96 Lakh)

c) Trade payables includes ₹ 252.31 lakhs as at March 31, 2019 (March 31, 2018 : ₹ Nil) on account of acceptances.

d) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 & as certified by the management, the amount due to Micro, & small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
- The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	2.57	-
- The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
- The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
- The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
- The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

NOTE 21 : OTHER CURRENT LIABILITIES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory dues	801.74	970.43
Advance from Customers	464.53	413.22
	1,266.27	**1,383.65**

NOTE 22 : CURRENT TAX LIABILITIES (NET)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Income Tax {Net of Advance Tax ₹ 225.70 lakh (March 31, 2018 : ₹ 971.16 lakh)}	79.24	36.92
	79.24	**36.92**

Notes to Financial Statements for the year ended March 31, 2019

NOTE 23 : REVENUE FROM OPERATIONS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of Product		
Finished Goods	36,935.29	45,052.10
Traded Goods	21,139.72	22,501.43
Revenue from Operations (Gross)	58,075.01	67,553.53
Less: Cash Discount and Other Scheme	(1,130.26)	(1,695.32)
	56,944.75	65,858.22
Other Operating Revenues		
Miscellaneous Sale	71.59	78.46
Insurance Claim (Net)	97.56	-
Revenue from operations (Net)	**57,113.90**	**65,936.68**

a) Consequent to the introduction of goods and services Tax (GST) with effect from 1 July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the GST is not recognised as part of revenue from operations . This has resulted in lower reported revenue from operations in the current year in comparison to the revenue from operations to the extent was reported under the pre-GST structure of indirect taxes. Accordingly, the Revenue from operations for the year ended March 31, 2019 are not comparable with year ended March 31, 2018 presented in the financial statement to the extent was reported inclusive of Excise Duty. The following additional information is being provided to facilitate such understanding:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations (gross of excise duty)	57,113.90	67,092.14
Less: Excise duty	-	1,155.46
Revenue from operations (exclusive of excise duty)	**57,113.90**	**65,936.68**

b) **Performance Obligation**
Revenue is recognised upon transfer of control of products to the customers.
During the year, the Company has not entered into long term contracts with customers and accordingly disclosure of unsatisfied or remaining performance obligation (which is affected by several factors like changes in scope of contracts, periodic revalidations, adjustment for revenue that has not been materialized, tax laws etc.) is not applicable to the Company.

c) **Disaggregation of Revenue**: The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread of the operations of the Company. The Company believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
- Within in India	55,979.11	64,943.36
- Outside India	965.44	914.86
	56,944.75	**65,858.22**

d) **Reconciliation of Revenue from operations with contracted price**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Contracted Price (Net of Sale return)	58,075.01	64,162.90
Less: Discounts and other Schemes	1,130.26	1,695.32
	56,944.75	**65,858.22**

e) **Trade Receivables and Contract Balances**
For Trade Receivables, refer Note No. 11.
Further, the Company has no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer one year. In light of above;
- it does not adjust any of the transaction prices for the time value of money, and
- there is no unbilled revenue as at March 31, 2019.

Notes to Financial Statements for the year ended March 31, 2019

NOTE 24 : OTHER INCOME

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income		
- On Fixed deposits	24.18	42.48
- Income tax refund	-	11.80
- Others	16.12	111.40
Provision for doubtful receivables written back	7.55	33.64
Excess liability written back	39.66	3.94
Profit on sale of fixed assets	51.65	-
Unwinding of discount on deposits	5.85	6.10
Miscellaneous Income	48.50	28.84
	193.51	**238.20**

NOTE 25 : COST OF RAW MATERIAL CONSUMED

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw Material		
Balance at the beginning of the Year	1,405.71	1,006.64
Add:- Purchases during the year	8,227.97	11,534.94
Less:- Balance at the end of the Year	697.90	1,405.71
Total Raw Material Consumption	**8,935.78**	**11,135.87**

NOTE 26 : EXCISE DUTY

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Excise Duty Paid	-	1,155.46
	-	1,155.46

NOTE 27 : PURCHASE OF STOCK IN TRADE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Stock in Trade	17,327.73	18,242.01
	17,327.73	**18,242.01**

NOTE 28 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the beginning of the year			
Work-in-progress		76.50	35.86
Finished Goods		5,595.79	4,974.77
Stock-in Trade		145.13	200.98
	(A)	**5,817.42**	**5,211.61**
Inventories at the end of the year			
Work-in-progress		91.90	76.50
Finished Goods		6,124.50	5,595.79
Stock-in Trade		193.27	145.13
	(B)	**6,409.67**	**5,817.42**
(Increase) / Decrease in Inventory	(A-B)	(592.25)	(605.81)

Notes to Financial Statements for the year ended March 31, 2019

NOTE 29 : EMPLOYEE BENEFITS EXPENSES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, Wages & Bonus	6,756.45	6,813.41
Compensated Absences*	36.74	33.75
Contribution to Provident and Other fund*	246.65	264.49
Expense on employee stock option schemes	113.09	59.67
Gratuity Expense*	124.56	130.90
Staff Welfare Expenses	287.16	302.31
	7,564.65	7,604.53

* Refer Note 36

NOTE 30 : FINANCE COST

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Expense		
- On Term loans	309.87	280.56
- On Cash Credit & Working Capital Facilities	313.82	168.39
- Delayed Payment of Advance Taxes	4.25	2.48
- Others	174.30	175.83
Letter of Credit Charges	19.33	25.32
Charges for Borrowing Facilities	49.30	75.23
	870.87	727.81

NOTE 31 : DEPRECIATION AND AMORTIZATION EXPENSE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of Property, Plant and Equipment	1,645.54	1,496.36
Amortization of Intangible Assets	6.59	5.72
	1,652.13	1,502.08

NOTE 32 : OTHER EXPENSES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Stores & Spares consumed	1,412.43	1,595.67
Packing Material Consumed	2,098.85	2,696.73
Increase/(Decrease) in Excise Duty	-	(683.37)
Gas & fuel	8,746.04	9,334.72
Electricity	1,907.25	2,192.93
Rent (Refer Note 'c' below)	387.03	445.82
Hire Charges	457.27	430.33
Rates & Taxes	39.47	61.23
Insurance	34.83	52.71
Repair & Maintenance		
Plant & Machinery	223.13	278.92
Buildings	66.62	123.43
Other	158.80	223.54
Designing & Processing	19.99	18.98
Freight & Forwarding Charges	887.14	1,721.21

Notes to Financial Statements for the year ended March 31, 2019

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Advertisement and Sales Promotion	1,963.72	2,851.90
Legal & Professional Expenses	212.57	588.58
Travelling & Conveyance	907.79	991.93
Communication Costs	75.42	105.90
Printing & Stationery	50.47	56.83
Bank charges	2.48	4.03
Payment to the Auditors (Refer note 'a' below)	23.51	20.97
Exchange Fluctuation (Net)	28.91	8.92
Bad debts written off	8.40	35.43
Provision for Slow Moving of Inventories- Finished Goods	30.21	20.35
Provision for doubtful debts	12.20	-
Loss on sale of fixed assets	-	162.66
Corporate Social Responsibility (Refer note 'b' below)	44.87	34.46
Miscellaneous Expenses	377.77	331.10
Total	20,177.17	23,705.91

a) Details of payment made to auditors is as follows:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditor:		
- Statutory Audit Fee	15.75	15.00
- Other Services	6.43	5.50
- Reimbursement of Expenses	1.33	0.47
	23.51	20.97

b) The Company has spent ₹ 44.87 Lakh (March 31, 2018 : ₹ 34.46 Lakh) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. The details are as follows:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits of last three years)	44.84	34.15
(ii) Amount spent during the year		
i) Construction/acquisitions of any asset	-	-
ii) For purposes other than (i) above		
a) Paid to Godavari Foundation	42.25	33.82
b) Activities for Ensuring Environmental Sustainability and others	2.62	0.64
	44.87	34.46

(iii) Above includes a contribution of ₹ 42.25 Lakh (March 31, 2018: ₹ 33.82 lakh) to an entity (Godavari Foundation) over which KMP has significant influence and which is a Trust registered under section 12A of the Income Tax Act, 1961, with the main objectives of working in the areas of social, economic and environmental issues such as rural development programme, granting aid to Institutions, school, colleges etc for Orphan Children and for poor students/people for their education and social welfare and estabilishing and maintaining schools, tube well for general public and also engaged in women empowerment by enhancing their means and capabilities to meet the emerging opportunities.

Notes to Financial Statements for the year ended March 31, 2019

c) Operating Lease

The Company's significant lease agreements are in the nature of operating leases for premises used at various depots and showrooms. These lease agreements are cancellable by either parties thereto as per the terms and conditions of the agreements. In respect of these leases, lease rent of ₹ 387.03 Lakh (March 31, 2018: ₹ 445.82 Lakh) is debited to Statement of Profit and Loss. This amount includes amount on account of amortisation of Deferred Security deposit in accordance with Ind AS 109 and also lease equalisation reserve (net of reversal) charge for the year ended March 31, 2019.

NOTE 33 : EXCEPTIONAL ITEMS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
Exceptional Income			
Profit on Sale of Investment		-	2,243.10
Total Exceptional Income	(A)	-	**2,243.10**
Exceptional Expenses			
Interest and charges paid on Custom Duty		-	216.40
Total Exceptional Expenses	(B)	-	**216.40**
Exceptional Items (Net)	(A-B)	-	**2,026.70**

NOTE 34 : INCOME TAX

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

Statement of profit and loss:

Profit or loss section

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		As at March 31, 2019	As at March 31, 2018
Tax Expense:			
a) Current tax		302.55	1,005.60
b) Mat Credit Entitlement		(172.72)	(60.29)
c) Adjustments in respect of current income tax of previous year		13.42	(143.02)
d) Deferred tax		338.51	(73.36)
Income tax expense reported in the statement of profit or loss	(A)	**481.76**	**728.93**

OCI section

Deferred tax related to items recognised in OCI during the year:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		As at March 31, 2019	As at March 31, 2018
Tax on gain on remeasurements of defined benefit plans		34.26	41.62
Net amount charged to OCI	(B)	**34.26**	**41.62**

Reconciliation of tax expense and the accounting Profit multiplied by India's Domestic tax rate for March 31, 2019 and March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		As at March 31, 2019	As at March 31, 2018
Accounting profit before income tax		**1,371.33**	**4,733.72**
At India's statutory income tax rate of 34.944% (March 31, 2018: 34.608%)		479.20	1,638.25
Adjustments in respect of current income tax of previous years		13.42	(143.02)
Tax Effect of Expenses not deductable for tax purposes		44.16	70.96
Effect of Exempt Income for Tax Purpose		-	(776.29)
Deferred Tax on Freehold Land		(24.55)	(24.12)
Others		3.80	4.78
At the effective income tax rate	(A+B)	**516.03**	**770.56**
Income tax expense reported in the Statement of Profit and Loss		**516.03**	**770.55**
Difference		-	-

Notes to Financial Statements for the year ended March 31, 2019

NOTE 35 : EARNINGS PER SHARE (EPS)

Earning per share (EPS) is determined based on the net profit attributable to the shareholder before other comprehensive Income. Basic earning per share is computed using the weighted average number of equity shares outstanding during the year whereas Diluted Earning per share is computed using the weighted average number of common and dilutive equivalent shares including Employee Stock Options except for the case where the result becomes anti-dilutive.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to the equity holders		889.57	4,004.79
Weighted average number of equity shares for Basic EPS	(A)	1,42,47,809	1,42,12,441
Basic earnings per share (in ₹) (face value ₹ 10 per share)		**6.24**	**28.18**
Weighted average number of potential equity shares on account of employee stock options	(B)	1,22,499	17,500
Weighted average number of Equity shares (including dilutive shares) outstanding for Dilutive EPS	(A+B)	1,43,70,308	1,42,29,941
Diluted earnings per share (in ₹) (face value ₹ 10 per share)		**6.20**	**28.14**

(a) For the year ended March 31, 2019, the dilution is considered on account of non vested ordinary shares under Employee Stock Option Scheme, 2018 in accordance with Para 48 of Ind As 33.

NOTE 36 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

a) Defined Contribution Plans

The Company makes contribution towards Employees Provident Fund and Employee's State Insurance scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognised the following amount in the Statement of profit and loss account under company's contribution to defined contribution plan.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident Fund and other Fund	224.60	231.16
Employer's Contribution to Employee State Insurance	22.05	33.33
Total	246.65	264.49

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) Defined Benefit Plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation. The method is used in following cases :-

i) Gratuity Scheme

The Company has defined benefit gratuity plan. Gratuity is calculated as 15 days salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination/ resignation. The benefit vests on completing 5 years of service by the employee. The Company makes provision of such gratuity asset/ Liability in the books of accounts on the basis of acturial valuation as per projected unit credit method; net with annual contribution made by Company to insurer to provide gratuity benifits by taking scheme of insurance.

ii) Compensated Absences

The Company operates compensated absences plan wherein all permanent employees of the company are entitled to the benefit equivalent to 21 days leave salary for every completed year of service subject to maximum 50 (March 31, 2018: 60) accumulations of leaves except in case of Dora Workers/SKD Workers where maximum accumulation is 60/30 days respectively. The salary for calculation of earned leave is last drawn salary. The same is payable during service, on retirement, withdrawal of scheme, resignation by employee and upon death / disability of employee.

Other than above, the Company has changed its policy for encashment of accumulated leaves beyond 60/50/30 days as applicable, i.e. the same will lapse after the end of financial year. Therefore the Company has not recognised any short term leave encashment expense for the year ended March 31, 2019. However the Company has recognised ₹ 39.75 Lakh for the year ended March 31, 2018 in respect of same.

Notes to Financial Statements for the year ended March 31, 2019

c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences). These have been provided on accrual basis, based on year end actuarial valuation.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Change in Benefit Obligation				
1. Opening Defined Benefit Obligation	965.36	307.84	1,002.89	309.25
2. Interest cost	70.47	22.47	78.23	24.12
3. Current service cost	119.69	59.07	99.63	81.45
4. Past Service cost	-	-	-	-
5. Benefits paid	(159.60)	(57.33)	(98.68)	(35.16)
6. Actuarial (gain) / loss on obligation	(84.47)	(44.80)	(116.71)	(71.82)
Present value of obligation as at the end of the year	**911.45**	**287.25**	**965.36**	**307.84**

d) The Following Tables summarise the Net Benefit Expense Recognised in the Statement of Profit or Loss :

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Service cost	119.69	59.07	99.63	81.45
Net Interest cost	4.87	22.47	31.27	24.12
Remeasurments	-	(44.80)	-	(71.82)
Net cost	**124.56**	**36.74**	**130.90**	**33.75**

e) Changes in the Fair Value of the Plan Assets are as Follows:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019		AFor the year ended March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	898.68	-	602.03	-
Expected Return on Plan Assets	65.60	-	46.96	-
Employer's Contribution	-	-	250.48	-
Benefits paid	(4.77)	-	(4.33)	-
Actuarial gains / (losses) on the Plan Assets	13.58	-	3.54	-
Fair Value of Plan Assets at the End	**973.09**	-	**898.68**	-

Notes to Financial Statements for the year ended March 31, 2019

f) **Detail of Actuarial (Gain)/loss Recognised in OCI is as Follows:**

Gratuity (Funded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
1) Amount recognised in OCI, (Gain) / Loss Beginning of period	64.02	184.27
2) **Remeasurement Due to:**		
Effect of Change in Financial Assumptions	34.03	(35.92)
Effect of Change in Demographic Assumption	(29.13)	-
Effect of Experience Adjustment	(89.37)	(80.79)
(Gain)/Loss on Curtailments/Settlements	-	-
Return on Plan Assets (Excluding Interest)	(13.58)	(3.54)
Changes in Asset Ceiling	-	-
Total amount recognised in OCI (Gain)/Loss, End of Period	**(34.03)**	**64.02**

g) **Principal actuarial assumptions at the balance sheet date are as follows:**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2019		As At March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Economic assumptions				
1 Discount rate	7.30%	7.30%	7.80%	7.80%
2 Rate of Increase in Compensation Levels	8.50%	8.50%	8.50%	8.50%
3 Expected Rate of Return on Assets	7.30%	N.A.	7.80%	N.A.
Demographic assumptions				
1 Retirement Age (years)	58/60	58/60	58/60	58/60
2 Mortality Table	Indian Assured Lives Mortality (2006-08) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate	
Employee Turnover / Attrition Rate				
1 Ages up to 30 Years	10.00%	10.00%	5.00%	5.00%
2 Ages from 30-45 years	10.00%	10.00%	5.00%	5.00%
3 Above 45 years	10.00%	10.00%	5.00%	5.00%

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

h) **Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2019		As At March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Present value of Defined Benefit Obligation	911.45	287.25	965.36	307.84
Fair value of plan assets	973.09	-	898.68	-
Net Defined Benefit (assets) / liability	(61.65)	287.25	66.68	307.84

Notes to Financial Statements for the year ended March 31, 2019

i) A Quantitative Sensitivity Analysis for Significant Assumption is as Shown Below:

Gratuity (Funded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
A. Discount rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Discount Rate	(48.75)	(64.12)
Effect on Defined Benefit Obligation due to 100 basis points decrease in Discount Rate	52.62	70.85
B. Salary escalation rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Salary Escalation Rate	51.48	69.66
Effect on Defined Benefit Obligation due to 100 basis points decrease in Salary Escalation Rate	(48.66)	(64.29)

Leave Encashment (Unfunded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
A. Discount rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Discount Rate	(17.88)	(26.07)
Effect on Defined Benefit Obligation due to 100 basis points decrease in Discount Rate	20.21	30.51
B. Salary escalation rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Salary Escalation Rate	19.78	29.99
Effect on Defined Benefit Obligation due to 100 basis points decrease in Salary Escalation Rate	(17.84)	(26.13)

The Sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period.

Sensitivities due to morality and withdrawals are insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

j) Risk

Salary Increases	Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations which in turn also increase the liability.
Discount Rate	Reduction in discount rate in subsequent valuations can increase the liability.
Mortality and disability	Actual details and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.

C. Maturity Profile of Defined Benefit Obligation is as Follows:

Gratuity (Funded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Within the next 12 months (next annual reporting period)	196.82	133.61
Between 2 and 5 years	528.16	470.44
Between 6 and 10 years	1,020.01	985.97

NOTE 37 : CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR) AND COMMITMENTS

(i) Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the financial statements, amounts to ₹ 41.54 Lakh (March 31, 2018: ₹ 1,584.71 Lakh). The Company does not have any other long term commitments or material non-cancellable contractual commitments, which may have a material impact on the financial statements.

Notes to Financial Statements for the year ended March 31, 2019

(ii) Contingent Liabilities

a) The Company has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the Company has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).

The Company does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Company. Also, the Company does not expect any reimbursements in respect of the above contingent liabilities.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		As at March 31, 2019	As at March 31, 2018
i)	Claims against Company not acknowledged as debt	1,975.01	2,168.54
	- Interest on above	784.01	601.31
ii)	**Other money for which the Company is contingently liable**		
	Disputed liability under Income Tax	373.81	373.81
	Disputed liability under Sales Tax	294.86	96.04
	- Interest on Sales Tax dispute	13.73	1.51
	Disputed liability under Excise/Custom/Service Tax	102.69	161.52
b)	Bank Guarantee (Net of Margins)	131.03	93.63

c) The Company has not made the provision of bonus for the F.Y. 2014-15 on account of retrospective amendment made by The Payment of Bonus (Amendment) Act , 2015 keeping in view the disposal of writ petition vide order no. WP(C) NO. 3024/2016 (C) dated 27th January 2016 passed by the Hon'ble Kerala High Court.

d) The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952.

NOTE 38 : CAPITAL MANAGEMENT

The Company's objective for managing capital is to ensure:

- ability to continue as a going concern, so that the Company can continue to provide returns to shareholders and benefits for other stakeholders, and
- maintain optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital structure using Gearing Ratio, which is calculated as under:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings	10,097.91	7,685.12
Less: Cash and Bank Balance	(354.92)	(275.99)
Adjusted Net Debt (A)	**9,742.99**	**7,409.13**
Equity Share Capital	1,424.86	1,423.11
Other Equity	21,735.35	20,756.55
Total Capital (B)	**23,160.21**	**22,179.66**
Net Debt and Capital (C=A+B)	**32,903.20**	**29,588.79**
Gearing Ratio [D=A/(C)]	**0.30**	**0.25**

(a) No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

(b) For the purpose of Capital Management, capital includes issued equity capital & all other reserve attributable to the equity holders of the Company.

Notes to Financial Statements for the year ended March 31, 2019

NOTE 39 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

The Company does not have any long term contracts including derivative contracts for which there are any material forseeable losses. The amount of foreign currency exposure that are not hedged by derivative instruments or otherwise are as under :-

Particulars	As At March 31, 2019		As At March 31, 2018	
	Foreign Currency	Amount in INR (Lakh)	Foreign Currency	Amount in INR (Lakh)
Import of Raw Material and Stores				
Euro	0.07	5.63	4.10	330.72
US $	0.005	0.34	-	-

NOTE 40 : SEGMENT INFORMATION

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. In Orient Bell Limited, the decision makers view the operating results internal division wise (Ceramic, Vitrified Polished). Accordingly, such segments may be presented under Ind AS 108. However, these segments have been aggregated because the core principles, economic characteristics, nature of products, production process, distribution method, regulatory environment and type of customers in all the divisions are similar. Hence the disclosure requirement of Ind AS 108 of "Segment Reporting" is not considered applicable. Further the Company sells its products mostly within India with insignificant export income and does not have any operation in economic environment with different risk and returns, hence its considered operating in single geographical segment.

Major Customer: No single customers contributed 10% or more to the Company's revenue for year ended March 31, 2019 and March 31, 2018.

NOTE 41 : RELATED PARTY DISCLOSURE

a) List of related parties

Name of Related Party	Nature of Relationship
Proton Granito Private Limited	Associate Company
Corial Ceramic Private Limited	Associate Company
Mahendra K. Daga - HUF	Entity over which KMP exercise Control and/or Significant Influence
Goodteam Investment & Trading Co. Private Limited	Enterprise over which KMP exercise Control and/or Significant Influence
Freesia Investment and Trading Co. Limited	Enterprise over which KMP exercise Control and/or Significant Influence
Alfa Mercantile Limited	Enterprise over which KMP exercise Control and/or Significant Influence
Morning Glory Leasing & Finance Limited	Enterprise over which KMP exercise Control and/or Significant Influence
Iris Designs Private Limited	Enterprise over which KMP exercise Control and/or Significant Influence
Freesia Farms Pvt. Ltd.	Enterprise over which KMP exercise Control and/or Significant Influence
Elit Tile Solutions Pvt. Ltd.	Enterprise over which KMP exercise Control and/or Significant Influence
Mithleash Infrastructure Pvt. Ltd.	Enterprise over which KMP exercise Control and/or Significant Influence
Orchid Farmscapes Pvt. Limited	Enterprise over which KMP exercise Control and/or Significant Influence

Notes to Financial Statements for the year ended March 31, 2019

Name of Related Party	Nature of Relationship
Godavari Foundation	Enterprise over which KMP exercise Control and/or Significant Influence
Mahendra K. Daga, Chairman and Whole Time Director	Key Managerial Personnel
Madhur Daga, Managing Director (MD)	Key Managerial Personnel
Kashinath Martu Pai, Director	Key Managerial Personnel
Yogesh Mendiratta, Company Secretary (CS)	Key Managerial Personnel
Aditya Gupta (CEO) (from March, 2018)	Key Managerial Personnel
Himanshu Jindal (CFO) (from 1st December, 2018)	Key Managerial Personnel
Sarla Daga w/o Mahendra Kumar Daga	Relatives of Key Managerial Personnel
Roma Monisha Sakraney Daga w/o Madhur Daga	Relatives of Key Managerial Personnel

b) **Transactions with related parties (Including bifurcation of material transaction)**

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Relationship	Nature of Transaction	For the Year ended March 31,2019	For the Year ended March 31, 2018
Mr. Mahendra K. Daga	Key Managerial Personnel	Interest Payments	78.66	78.66
		Managerial & KMP Remuneration	204.25	196.98
		Rent Paid	12.00	12.00
Mrs. Sarla Daga	Relative of Key Managerial Personnel	Interest Payments	38.47	38.47
		Rent Paid	0.24	0.24
M/s Mahendra K. Daga - HUF	Enterprises owned or significantly influenced by KMP or their relatives	Interest Payments	21.37	21.37
Freesia Investment and Trading Co. Limited	Enterprises owned or significantly influenced by KMP or their relatives	Rent Paid	67.80	64.58
Mr. Madhur Daga	Key Managerial Personnel	Managerial Remuneration (including Post employment benefit and short term employee benefits)	117.97	121.76
Mr. K.M.Pai	Key Managerial Personnel	Managerial Remuneration (including Post employment benefit and short term employee benefits)	90.35	144.70
Mr. Aditya Gupta	Key Managerial Personnel	Managerial Remuneration (including Post employment benefit and short term employee benefits)	228.99	12.60
Mr. Himanshu Jindal	Key Managerial Personnel	Managerial Remuneration (including Post employment benefit and short term employee benefits)	31.23	-
Mr. Yogesh Mendiratta	Key Managerial Personnel	Managerial Remuneration (including Post employment benefit and short term employee benefits)	20.76	18.45
Mrs. Roma Monisha Sakraney Daga w/o Madhur Daga	Relatives of Key Managerial Personnel	Interest Payments	3.99	3.99
Proton Granito Private Limited	Associate Company	Purchase of Goods	8,253.85	9,638.04
		Sales of Goods	3.78	-
Corial Ceramic Private Limited	Associate Company	Purchase of Goods	2,214.12	-
		Advance Against Supplies	-	36.50
		Investments in shares	-	260.00
Godavari Foundation	Enterprises owned or significantly influenced by KMP or their relatives	Donation	42.25	33.82

Notes to Financial Statements for the year ended March 31, 2019

c) Year end balances of related parties

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Nature of Balance	As At March 31, 2019	As At March 31, 2018
Mahendra K. Daga - HUF	Unsecured Loan Payable	225.00	225.00
Mr. Mahendra K. Daga	Unsecured Loan Payable	828.00	828.00
Mrs. Sarla Daga	Unsecured Loan Payable	405.00	405.00
Mrs. Roma Monisha Sakraney Daga w/o Madhur Daga	Unsecured Loan Payable	42.00	42.00
Freesia Investment and Trading Co. Limited	Security Deposit Given	10.00	10.00
Proton Granito Private Limited	Trade Payables (Net)	446.19	690.96
	Investment Outstanding	312.00	312.00
Corial Ceramic Private Limited	Trade Payables (Net)	475.05	-
	Investment Outstanding	260.00	260.00
	Advance Outstanding	-	36.50

d) Other Transaction

The Company has taken Unsecured loan from Bank against the collateral security on the immovable property of Mr. Mahendra K. Daga (Key Managerial Personnel).

e) Terms and conditions of transactions with related parties

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and carried interest rate. The unsecured loan from bank are secured against the property of Key Managerial Personnel. No expenses has been recognized in the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.

f) The remuneration of Key Managerial Personnel does not include amount in respect of Gratuity and Leave Encashment payable as the same are not determinable as individual basis for the KMP. The aforesaid liabilities of Gratuity and Leave Encashment are provided for company as whole.

g) Disclosure in respect of Share Based Payments to related party-Refer Note No. 42.

NOTE 42 : SHARE BASED PAYMENTS

Description of shares based payments arrangements

a) Movement during the year

(All amounts in ₹ lakhs, unless otherwise stated)

Scheme	Year	Outstanding at the beginning of the year	Granted during the year	Forfeited/ expired during the year	Exercised during the year	Exercisable at the end of the year	Outstanding at the end of the year
Orient Bell Employees Stock Options Scheme, 2018	2018	-	1,71,000	-	-	-	1,71,000
Orient Bell Employees Stock Options Scheme, 2013	2013	(17,500)	-	-	(17,500)	-	-

b) The members of the Company had approved 'Orient Bell Employee Stock Option Scheme 2018'. The plan envisaged grant of share options to eligible employees at market price as defined in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Each Employee Stock Option vested in an Employee under the Scheme entitles the holder thereof to apply for and be allotted one equity share of the Company of ₹10 each upon exercise thereof. The Exercise price is '₹10'. The exercise period commences from the date of vesting in respect of options granted under the Scheme and ends upon the expiry of three years from the date of each vesting.

c) The maximum number of shares allocated for allotment under 2018 Share Schemes is 2,00,000 (two lakhs) equity share of ₹10/- each. The schemes are monitored and supervised by the Compensation Committee of the Board of Directors in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time.

Notes to Financial Statements for the year ended March 31, 2019

The expense recognised for employee services is shown in the following table:

Particulars	As at March 31, 2019	As at March 31, 2018
Expenses arising from equity-settled share-based payment transactions (at fair value)	113.09	59.67
Expenses arising from cash-settled share-based payment transactions	-	-
Total expense arising from share-based payment transactions	**113.09**	**59.67**

d) The details of Employee Stock Option Scheme 2018 are as under:-

(All amounts in ₹)

Scheme	Year	Date of Grant	Number of Options Granted	Vesting Date	Exercise period	Exercise price per share	Weighted Average Exercise price per share
Orient Bell Employees Stock Options Scheme, 2018	2018	17-04-2018	12,500	17-04-2019	3 years from date of vesting	10.00	10.00
		17-04-2018	12,500	17-04-2020		10.00	10.00
		17-04-2018	12,500	17-04-2021		10.00	10.00
		17-04-2018	12,500	17-04-2022		10.00	10.00
		29-06-2018	11,000	29-06-2019		10.00	10.00
		29-06-2018	19,000	29-06-2020		10.00	10.00
		29-06-2018	15,000	29-06-2021		10.00	10.00
		09-08-2018	11,000	09-08-2019		10.00	10.00
		09-08-2018	21,000	09-08-2020		10.00	10.00
		09-08-2018	21,000	09-08-2021		10.00	10.00
		13-11-2018	5,000	13-11-2020		10.00	10.00
		28-12-2018	4,000	28-12-2019		10.00	10.00
		28-12-2018	6,000	28-12-2020		10.00	10.00
		28-12-2018	8,000	28-12-2021		10.00	10.00

e) The fair value has been calculated using the Black-Scholes option pricing model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows :

Particulars	ESOP Scheme 2018					ESOP Scheme 2013
	17-04-2018	29-06-2018	09-08-2018	13-11-2018	28-12-2018	
Weighted Average Risk-Free Interest Rate	7.20%	7.89%	7.77%	7.58%	7.20%	6.81%
Weighted Average Expected Life of Options	2.50 Years	2.50 Years	2.50 Years	3.50 Years	2.50 Years	1 Year
Weighted Average Expected Volatility	49.65%	49.65%	49.65%	51.06%	49.65%	4.11%
Weighted Average Expected Dividend Yield of the Options	-	-	-	-	-	0.82%
Weighted Average Share Price	293.15	249.95	253.15	180.50	181.20	160.13
Weighted Average Exercise Price	10.00	10.00	10.00	10.00	10.00	Nil
Method Used to Determine Expected Volatility	Expected voltatility is based on the share price taken from NSE for the latest historical period as per time to maturity.					Expected volatility is based on the Company's share price for preceding 5 years of grant date.

f) There are no exercised, expired, forfieted options during the year.

Notes to Financial Statements for the year ended March 31, 2019

NOTE 43 : FAIR VALUE DISCLOSURE

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments Here the disclosure is made for non-current financial assets and non-current financial liabilities, carrying value of current financial assets and current financial liabilities including trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables, current borrowing, other current financial liabilities etc. represent the best estimate of fair value.

The management assessed that fair value of these short term financial assets and liabilities significantly approximate their carrying amount largely due to short term maturities of these instruments.

a) Fair Value of Financial Assets: (All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Carrying Values		Fair Values	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial Assets Measured at Amortised Cost				
Investments	572.00	572.00	572.00	572.00
Trade Receivables	11,621.49	12,577.03	11,621.49	12,577.03
Security deposits	320.08	349.26	320.08	349.26
Deposits with original maturity of more than 12 months	3.65	3.98	3.65	3.98
Cash and Cash Equivalents	10.65	25.65	10.65	25.65
Bank balance other than Cash and cash equivalent	344.27	250.34	344.27	250.34
Interest Accrued on Securities Deposits	19.06	19.15	19.06	19.15
Interest Accrued on Fixed Deposits	3.10	1.10	3.10	1.10
	12,894.30	13,798.51	12,894.30	13,798.51

b) Fair Value of Financial Liabilities: (All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Carrying Values		Fair Values	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial Liabilties Measured at Amortised Cost				
Borrowings	10,097.91	7,685.12	10,097.91	7,685.12
Trade Payables	7,088.02	7,829.84	7,088.02	7,829.84
Trade Deposits	1,006.37	1,018.22	1,006.37	1,018.22
Earnest Money Received from Employees	29.95	34.22	29.95	34.22
Security From Employees	1.88	1.94	1.88	1.94
Interest Accrued but not due on Borrowings	14.50	22.36	14.50	22.36
Unpaid Dividends	11.99	14.05	11.99	14.05
	18,250.63	16,605.76	18,250.63	16,605.76

c) Discount Rate Used in Determining Fair Value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

a) Fair value for security deposits (other than perpetual security deposits) has been presented based on the discounting factor as at the reporting date. Fair value for all other non-current assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.

b) For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Notes to Financial Statements for the year ended March 31, 2019

NOTE 44 : FAIR VALUE HIERARCHY

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurement as a whole.

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

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

a) Quantitative Disclosures Fair Value Measurement Hierarchy For Financial Assets as at March 31, 2019:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	Amorised Cost	Fair Value		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured at Amortised Cost					
Investments	572.00	572.00	-	-	-
Trade Receivables	11,621.49	11,621.49	-	-	-
Security deposits	320.08	320.08	-	-	-
Deposits with original maturity of more than 12 months	3.65	3.65	-	-	-
Cash and Cash Equivalents	10.65	10.65	-	-	-
Bank balance other than Cash and cash equivalent	344.27	344.27	-	-	-
Interest accrued on Security Deposits	19.06	19.06	-	-	-
Interest accrued on Fixed Deposits	3.10	3.10	-	-	-
	12,894.30	12,894.30	-	-	-

b) Quantitative Disclosures Fair Value Measurement Hierarchy For Financial Liabilities as at March 31, 2019:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	Amorised Cost	Fair Value		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities Measured at Amortised Cost					
Borrowings	10,097.91	10,097.91	-	-	-
Trade Payable	7,088.02	7,088.02	-	-	-
Trade Deposits	1,006.37	1,006.37	-	-	-
Earnest Money Received from Employees	29.95	29.95	-	-	-
Security From Employees	1.88	1.88	-	-	-
Interest Accrued but not due on Borrowings	14.50	14.50	-	-	-
Unpaid Dividends	11.99	11.99	-	-	-
	18,250.63	18,250.63	-	-	-

Notes to Financial Statements for the year ended March 31, 2019

c) Quantitative Disclosures Fair Value Measurement Hierarchy For Financial Assets as at March 31, 2018:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	Amorised Cost	Fair Value		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured at Amortised Cost					
Investments	572.00	572.00	-	-	-
Trade Receivables	12,577.03	12,577.03	-	-	-
Security deposits	349.26	349.26	-	-	-
Deposits with original maturity of more than 12 months	3.98	3.98	-	-	-
Cash and Cash Equivalents	25.65	25.65	-	-	-
Bank balance other than Cash and cash equivalent	250.34	250.34	-	-	-
Interest accrued on Security Deposits	19.15	19.15	-	-	-
Interest accrued on Fixed Deposits	1.10	1.10	-	-	-
	13,798.51	13,798.51	-	-	-

d) Quantitative Disclosures Fair Value Measurement Hierarchy For Financial Liabilities as at March 31, 2018:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	Amorised Cost	Fair Value		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities Measured at Amortised Cost					
Borrowings	7,685.12	7,685.12	-	-	-
Trade Payable	7,829.84	7,829.84	-	-	-
Trade Deposits	1,018.22	1,018.22	-	-	-
Earnest Money Received from Employees	34.22	34.22	-	-	-
Security From Employees	1.94	1.94	-	-	-
Interest Accrued but not due on Borrowings	22.36	22.36	-	-	-
Unpaid Dividends	14.05	14.05	-	-	-
	16,605.76	16,605.76	-	-	-

(i) **Valuation technique used to determine fair value:**
Security Deposit : Discounted Cash Flow Method using risk adjusted discount rate.

(ii) There have been no transfers between level 1 and level 2 category during the year ended on respective reporting date given above.

NOTE 45 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise trade and other payables, borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets includes security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Company is exposed to market risk, credit risk and liquidity risk . The Company's senior level oversees the management of these risks.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

Notes to Financial Statements for the year ended March 31, 2019

i) **Interest rate risk**

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

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to interest rate risk.

	Increase or decrease in basis points	Effect on profit before tax
31st March, 2019		
INR	+50	(36.96)
INR	-50	36.96
31st March, 2018		
INR	+50	(36.88)
INR	-50	36.88

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

ii) **Foreign currency risk**

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk sensitivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant.

Particulars	Year	Changes in Euro rate	Effect on profit before tax
Trade Payables	31 March, 2019	+5%	(0.30)
		-5%	0.30
Trade Payables	31 March, 2018	+5%	(16.54)
		-5%	16.54

Particulars	Year	Changes in Currency rate	Effect on profit before tax
Foreign Currency on Hand	31 March, 2019	+5%	0.12
		-5%	(0.12)
Foreign Currency on Hand	31 March, 2018	+5%	0.09
		-5%	(0.09)

B. **Credit Risk**

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Company. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.

The Company also uses expected credit loss model to assess the impairment loss in Trade receivables and makes an allowance of doubtful trade receivables using this model.

C. **Liquidity Risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. It maintains adequate sources of financing including loans from banks at an optimised cost.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	4,301.76	212.39	1,079.06	3,025.14	1,500.00	10,118.35
Trade payables	-	7,088.02	-	-	-	7,088.02
Other financial liabilities	-	14.50	12.53	31.29	1,006.37	1,064.69
Total	**4,301.76**	**7,314.91**	**1,091.59**	**3,056.43**	**2,506.37**	**18,271.06**

Notes to Financial Statements for the year ended March 31, 2019

As at March 31, 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	3,935.33	202.83	812.84	1,234.12	1,500.00	7,685.12
Trade payables	-	7,829.84	-	-	-	7,829.84
Other financial liabilities	-	22.36	20.35	29.87	1,018.21	1,090.79
Total	**3,935.33**	**8,055.03**	**833.19**	**1,263.99**	**2,518.21**	**16,605.75**

* In absolute terms i.e. undiscounted and including current maturity portion

NOTE 46 : DISCLOSURE OF MOVEMENT IN PROVISION DURING THE YEAR AS PER IND AS- 37

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Balance as on April 01, 2018	Provided During the year	Paid / Adjusted during the year	Balance as on March 31, 2019
Compensated Absenses	307.84	36.74	57.33	287.25
Gratuity	66.68	26.51	154.84	(61.65)
Lease Equalisation Reserve	9.48	2.18	-	11.66
Income Tax	36.92	319.19	276.87	79.24
	420.92	**384.62**	**489.04**	**316.51**

NOTE 47 : SUBSEQUENT EVENT : DIVIDEND PAID AND PROPOSED

(a) Dividend paid and Proposed

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Declare and Paid During the Year:		
Final Dividend for FY 2017-18: ₹ 0.5 per share (FY 2016-17: ₹ 0.5 per share) Including Dividend distribution tax of ₹14.65 lakhs for FY 2017-18 (₹14.43 lakh for FY 2016-17)	85.89	85.39
	85.89	**85.39**
B. Proposed for Approval at the Annual General Meeting (not recognised as a liability)		
Final Dividend for FY 2018-19: ₹ 0.5 per share (FY 2017-18: ₹ 0.5 per share)	71.24	71.16
Dividend Distribution Tax	14.65	14.49
	85.89	**85.64**

(b) No material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the financial statements.

NOTE 48 :

In view of the management, the current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at March 31, 2019.

Note 49 :

The financial statements of the Company for the year ended 31st March, 2019 were approved by the Board of Directors and authorised for issue on May 22, 2019.

for & on behalf of Board of Directors of Orient Bell Limited

Madhur Daga
Managing Director
DIN 00062149

Sameer Kamboj
Director
DIN 01033071

Place of Signature : New Delhi
Date : May 22, 2019

Aditya Gupta
Chief Executive Officer

Himanshu Jindal
Chief Financial Officer

Yogesh Mendiratta
Company Secretary
M. No 13615

Independent Auditor's Report

To the Members of ORIENT BELL LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Orient Bell Limited ("the Company")** and its Associates, which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

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

S.No.	Key Audit Matters	How our audit addressed the key audit matter
1.	**Appropriateness of Capitalization Cost as per Ind AS 16- Property, Plant and Equipment (PPE)** (Refer to the accompanying note 4 forming integral part of the Standalone Financial Statements) The Company has made substantial capitalization under - Plant & Machinery and Buildings, pertaining to a new production line at one of its manufacturing facilities. This area was significant to our audit because: - of significance of amount capitalized, and - risk pertaining to the appropriateness of expenditure considered for capitalization	Our procedure in relation to appropriateness of capitalization cost as per Ind AS 16 includes the following: a) **Substantive testing:** - Evaluated the approval of Board of Directors of the Company for new production line. - Evaluated and tested the design and operating effectiveness of key controls relating to various costs incurred in relation to Property, Plant and Equipment. - Tested on sample basis expenditures with focus on those items (example purchase cost, borrowing cost stores and spares, repair & maintenance etc.) that we considered significant due to their amount or nature. - Verified and tested, on sample basis, amounts capitalized during the year against underlying supporting documents to ascertain nature of costs and whether they meet the recognition criteria specified in Ind AS 16. - Reviewed the physical verification report of PPE. - Ensured adequacy of disclosures in the financial statements. b) **Controls testing** : Wherever appropriate, our substantive work was supplemented by controls testing work which encompassed understanding, evaluating

		and testing key controls in respect of review of purchase orders, authorization of assets acquisition, external and plant manager certification, capitalization of pending capital advances, ageing of capital work in progress and allocation of administrative and operative expenditure for capitalization. Our procedure as mentioned above did not identify any costs that had been inappropriately capitalized.
2.	**Accounting for Customer Schemes, discounts and other trade promotional expenditure** (Refer to the accompanying note 23 forming integral part of the Standalone Financial Statements) In line with normal industry practice and overall objective of increase in the revenue, the Company has varied incentive programs and discount policies in place. These include volume based rebates and schemes and trade spend commitments which are driven by customers achieving sales volume targets agreed with the Company over a pre-determined period. These rebates and schemes on sales are accounted for as a deduction from revenue and recognized in the period to which it relates in accordance with the customer agreement. This area was significant to our audit because: - those areas are subject to judgmental estimates and assessments that are material; and - these expenses vary with regards to the nature and timing of the activity to which it relates Our focus was on assessing the accuracy of the expense charged, whether the amount recognized were recorded in the appropriate period and the completeness of the expense.	Our audit work in respect of accounting for customer schemes, discounts and other trade promotional expenditure comprised a combination of substantive testing, control testing and an assessment of the Company's disclosures in this regard. The audit procedures include the following steps: a) Substantive testing: - Tested a sample of underlying agreements to obtain evidence in support of amount and timing of recognition of both customer rebates & other promotional expenditure. This involved evaluating whether the amount & timing of recognition was consistent with the contractual arrangements. - Critically assessed the judgements taken by the Company in estimating year end accruals for amounts owing to customers. This included retrospective analysis/tests to assess the accuracy of the accruals in previous years, alongside the use of key assumptions of rebate/ discount terms and in the case of volume rebates, the level of sales likely to occur in the period under audit, with reference to historic events. - Held discussions with the sales teams to understand the complexities, if any of these agreements and any unusual trends in the year. - Tested post-year end credit notes issued and debit notes received, where applicable, to determine whether specific promotions were appropriately provided for as at the reporting date at the appropriate amount. b) Controls testing: Wherever appropriate, our substantive work was supplemented by controls testing work which encompassed understanding, evaluating and testing key controls in respect of the approval of customer rebates, discounts and other trade promotional expenditure. Our procedures as mentioned above did not identify any findings that are significant for the financial statements as whole in respect of accounting for customer schemes, discounts and other trade promotional expenditure.
3.	**Credit Risk vis-à-vis impairment of trade receivables as per Ind AS 109** (Refer to the accompanying note 11 forming integral part of the Standalone Financial Statements) The Company continuously monitors defaults of customers and incorporates this information into its credit risks controls. The Company uses Expected Credit Loss model to assess the impairment loss and makes an allowance of doubtful debts using this model. This area was significant to our audit because: - Credit risk arises from the possibility that the	Our procedure in relation to appropriateness of judgements used and calculation of allowance of doubtful debts vis-à-vis credit risk controls includes the following: a) Substantive testing: - Obtained an understanding of management's process and evaluated design and tested operating effectiveness of controls around identification of indicators of Impairment vis-à-vis credit risk. - Tested on sample basis, receivables balances that were provided during the year to determine the accuracy of judgements made by the Company in Expected Credit Loss Model.

	customer(s) may not be able to settle their obligations. - Impairment of receivables is a subjective area due to level of judgement applied by management in determining the impairment allowance. In addition to above, our focus was on assessing the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and ageing of such receivables.	- Analyzed the significant receivables aged over normal credit period and in particular over one year by the way of alternate audit procedures like subsequent realization reconciliations. This also includes classifying the credit impaired receivables on the basis of external balance confirmations, ageing of receivables and requirement of write off that results from possible default events, such as customer declaring bankruptcy or a litigation decided against the Company. - Inspected arrangements and / or correspondences with the customers to assess the recoverability of long outstanding receivables. b) Controls testing : Wherever appropriate, our substantive work was supplemented by controls testing work which encompassed understanding, evaluating and testing key controls in respect of Company's credit management procedures including the controls around credit approvals, established credit terms, and reviewing the payment history. Our procedures as mentioned above did not identify any findings that are significant for the financial statements as whole in respect of impairment of trade receivables vis-à-vis level of exposure of Company to credit risk from its operating activities.

Information other than Financial Statements and Auditor's Reports thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Company including its associates in accordance with the Ind AS and other accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Company and its associates are responsible for assessing the ability of the respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies are also responsible for overseeing their financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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 and its associate companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its associate to express an opinion on the consolidated financial statements. For the entities consolidated in the consolidated financial statements, which have been audited by other auditors, such other auditors are responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

(a) The consolidated financial statements also include the Company's share of net profit of ₹ 38.69 lakhs for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

(b) As disclosed in the Accounting policies adopted by the Company for the purpose of consolidation of financial statements of the Company with its associates, uniform accounting policies for like transactions and other events in similar circumstances are used except for different inventory valuation method and depreciation policy adopted by the Company and the associate companies. Had the associate companies followed the same accounting policies of the Company, the share of profit of the Company in respect of two associates considered under consolidated financial statements would have been higher by ₹ 60.06 lakhs.

Our opinion on the consolidated financial results is not modified in respect of these matters.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of the associate companies incorporated in India, none of the directors of the Company and its associate companies incorporated in India is disqualified as on March 31, 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 with reference to financial statements of the Company and its associates and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Company and its associates- Refer Note No. 37 to the consolidated financial statements.

ii. The Company and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate companies incorporated in India.

2. With respect to the matter to be included in the Auditors' report under Section 197(16):

In our opinion and according to the information and explanation given to us, the Company has paid remuneration to its directors during the year is in accordance with the provisions of and limit laid down under section 197 read with Schedule V of the Act. In respect of the two associates, section 197 of the Companies Act, 2013 is not applicable since none of the Company is a Public Company as per definition given under section 2(71) of the Act.

For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership No. 073696

Place of Signature : New Delhi
Date : 22 May, 2019

Annexure 'A' to the Independent Auditors' Report of even date on the Consolidated Financial Statement of Orient Bell Limited

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of **Orient Bell Limited** (hereinafter referred to as "the Company") and its Associates which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Company and its associates, which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting statements (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Company and its associates.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 and its associates companies which are incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on "the internal control with reference to financial statements 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.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control with reference to financial statements in so far as it relates to two associates, which are the companies incorporated in India, is based on the corresponding reports of auditors of such companies incorporated in India.

For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership No. 073696

Place of Signature : New Delhi
Date : 22 May, 2019

Consolidated Balance Sheet as at March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Assets			
I. Non-Current Assets			
(a) Property, Plant and Equipment	4	23,870.65	19,636.01
(b) Capital Work-in-Progress	5	102.15	102.58
(c) Intangible Assets	6	11.57	13.90
(d) Financial Assets			
(i) Investments	7	668.70	630.01
(ii) Other Financial Assets	8	317.19	312.02
(e) Non Current Tax Asset (Net)	9	-	-
(f) Other Non Current Assets	10	93.16	344.73
Total Non-Current Assets		**25,063.42**	**21,039.25**
Current Assets			
(a) Inventories	11	8,545.67	8,883.33
(b) Financial Assets			
(i) Trade Receivables	12	11,621.49	12,577.03
(ii) Cash and Cash Equivalents	13	10.65	25.65
(iii) Bank Balances other than (ii) above	14	344.27	250.34
(iv) Other Financial Assets	8	28.70	61.47
(c) Other Current Assets	10	257.48	330.66
Total Current Assets		**20,808.26**	**22,128.48**
Total Assets		**45,871.68**	**43,167.73**
II. Equity And Liabilities			
Equity			
(a) Equity Share Capital	15A	1,424.86	1,423.11
(b) Other Equity	16	21,832.00	20,814.56
Total Equity		**23,256.86**	**22,237.67**
Liabilities			
Non- Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	4,513.38	2,736.57
(ii) Other Financial Liabilities	18	1,037.66	1,048.09
(b) Provisions	19	242.28	268.82
(c) Deferred Tax Liabilities (Net)	20	2,719.78	2,519.75
Total Non- Current Liabilities		**8,513.10**	**6,573.23**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	5,584.53	4,948.55
(ii) Trade Payables	21		
a) Total Outstanding Dues to Micro and Small Enterprises		2.57	-
b) Total Outstanding Dues to Parties Other than Micro and Small Enterprises		7,085.45	7,829.84
(iii) Other Financial Liabilities	18	27.03	42.70
(b) Other Current Liabilities	22	1,266.27	1,383.65
(c) Provisions	19	56.63	115.17
(d) Current Tax Liabilities (Net)	23	79.24	36.92
Total Current Liabilities		**14,101.72**	**14,356.83**
Total Equity and Liabilities		**45,871.68**	**43,167.73**
Summary of Significant Accounting Policies	3		
The accompanying notes are integral part of the financial statements.			

As per our Report of even date attached

For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

for & on behalf of Board of Directors of Orient Bell Limited

(Deepak Agarwal)
Partner
Membership Number 073696

Madhur Daga
Managing Director
DIN 00062149

Sameer Kamboj
Director
DIN 01033071

Place of Signature : New Delhi
Date : May 22, 2019

Aditya Gupta
Chief Executive Officer

Himanshu Jindal
Chief Financial Officer

Yogesh Mendiratta
Company Secretary
M. No 13615

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	Note No.	For the Year ended March 31, 2019	For the Year ended March 31, 2018
I	Revenue from operations	24	57,113.90	65,936.68
II	Other income	25	193.51	238.20
III	**Total income (I+II)**		**57,307.41**	**66,174.88**
IV	Expenses			
	(a) Cost of Materials Consumed	26	8,935.78	11,135.87
	(b) Purchases of Stock-in-Trade	27	17,327.73	18,242.01
	(c) Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	28	(592.25)	(605.81)
	(d) Excise Duty	29	-	1,155.46
	(e) Employee benefits expense	30	7,564.65	7,604.53
	(f) Finance costs	31	870.87	727.81
	(g) Depreciation and amortization expense	32	1,652.13	1,502.08
	(h) Other expenses	33	20,177.17	23,705.91
	Total expenses		**55,936.08**	**63,467.86**
V	**Profit/ (loss) before share of Profit/ (loss) of Associates exceptional items and tax (III-IV)**		**1,371.33**	**2,707.02**
VI	Share of profit/(loss) of an Associates		38.69	(20.33)
VII	**Profit/ (loss) before exceptional items and tax**		**1,410.02**	**2,686.69**
VIII	Exceptional Items	34	-	2,026.70
IX	**Profit/ (loss) before tax (V-VI)**		**1,410.02**	**4,713.39**
X	Tax expense:	35		
	(a) Current tax		302.55	1,005.60
	Less:- Mat Credit Entitlement		(172.72)	(60.29)
	(b) Adjustment of tax relating to earlier periods		13.42	(143.02)
	(c) Deferred tax		338.49	(73.36)
	Total tax expense		**481.74**	**728.93**
XI	**Profit/(loss) for the year**		**928.28**	**3,984.46**
XII	Other Comprehensive Income			
(A)	(i) Items that will not be reclassified subsequently to statement of profit and loss		98.05	120.25
	(a) Re-measurement gains/ (losses) on defined benefit plans			
	(ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss.		(34.26)	(41.62)
(B)	(i) Items that will be reclassified subsequently to statement of profit and loss		-	-
	(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-
	Other comprehensive income for the year, net of tax		**63.79**	**78.63**
XIII	**Total comprehensive income for the year, net of tax**		**992.07**	**4,063.09**
XIV	**Earnings per share: (Face Value ₹10 per share)**	36		
	1) Basic (amount in ₹)		6.52	28.04
	2) Diluted (amount in ₹)		6.47	28.00
	Summary of Significant Accounting Policies	3		
	The accompanying notes are integral part of the financial statements.			

As per our Report of even date attached

For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

for & on behalf of Board of Directors of Orient Bell Limited

(Deepak Agarwal)
Partner
Membership Number 073696

Madhur Daga
Managing Director
DIN 00062149

Sameer Kamboj
Director
DIN 01033071

Place of Signature : New Delhi
Date : May 22, 2019

Aditya Gupta
Chief Executive Officer

Himanshu Jindal
Chief Financial Officer

Yogesh Mendiratta
Company Secretary
M. No 13615

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Amount
A. Equity Share Capital	
Opening Balance as at April 01, 2017	1,418.96
Changes during the year	4.15
Closing Balance as at March 31, 2018	**1,423.11**
Changes during the year	1.75
Closing Balance as at March 31, 2019	1,424.86

B. Other Equity

	Reserve & Surplus							Item of OCI	Total equity
	Capital Reserve	Security Premium	Capital Restructuring	Amalgamation Reserve	Share Options Outstanding Account	General Reserve	Retained earnings	Remeasurements of net defined benefit plans	
Balance as at April 01, 2017	25.57	1,219.42	46.16	913.04	42.87	4,882.91	9,832.59	(181.22)	16,781.34
Net Income/ Loss for the year	-	-	-	-	-	-	3,984.46	-	3,984.46
Add: Other comprehensive income	-	-	-	-	-	-	-	78.63	78.63
Employee Stock Option Scheme	-	37.76	-	-	17.76	-	-	-	55.52
Final Dividend for the FY 16-17 (Refer Note 48)	-	-	-	-	-	-	(70.95)	-	(70.95)
Dividend Distribution Tax	-	-	-	-	-	-	(14.44)	-	(14.44)
Balance as at March 31, 2018	25.57	1,257.18	46.16	913.04	60.63	4,882.91	13,731.66	(102.59)	20,814.55
Net Income/ Loss for the year	-	-	-	-	-	-	928.28	-	928.28
Add: Other comprehensive income	-	-	-	-	-	-	-	63.79	63.79
Employee Stock Option Scheme	-	20.46	-	-	90.88	-	-	-	111.34
Less: Unrealised Profit on upstream transaction	-	-	-	-	-	-	(0.07)	-	(0.07)
Final Dividend for the FY 17-18 (Refer Note 48)	-	-	-	-	-	-	(71.24)	-	(71.24)
Dividend Distribution Tax	-	-	-	-	-	-	(14.64)	-	(14.64)
Balance as at March 31, 2019	25.57	1,277.63	46.16	913.04	151.51	4,882.91	14,573.98	(38.80)	21,832.00
Summary of Significant Accounting Policies (Refer Note 3)									

The accompanying notes are integral part of the financial statements.

As per our Report of even date attached
For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership Number 073696

Place of Signature : New Delhi
Date : May 22, 2019

for & on behalf of Board of Directors of Orient Bell Limited

Madhur Daga
Managing Director
DIN 00062149

Sameer Kamboj
Director
DIN 01033071

Aditya Gupta
Chief Executive Officer

Himanshu Jindal
Chief Financial Officer

Yogesh Mendiratta
Company Secretary
M. No 13615

Consolidated Cash Flow Statement for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		For the Year ended March 31, 2019	For the Year ended March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit Before Tax		1,410.02	4,713.39
Adjustments for:			
Share of Profit of Associates		(38.69)	20.33
Depreciation and amortization		1,652.13	1,502.08
Interest Paid		867.65	720.61
Impact of effective interest rate adjustment on borrowings		6.31	4.72
Provision for employee benefit		113.09	59.67
Loss/(Gain) on sale of fixed assets		(51.65)	162.66
Interest on delayed payment of Taxes		3.22	2.48
Provision for doubtful receivables written back		(7.55)	(33.64)
Unwinding of discount on deposits		(5.85)	(6.10)
Interest Income		(40.30)	(165.69)
Excess liability written back		(39.66)	(3.94)
Provision for Slow Moving of Inventories- Finished Goods		30.21	20.35
Provision for doubtful debts		12.20	-
Bad Debts Written Off		8.40	35.43
Operating Profit Before Working Capital Changes		**3,919.53**	**7,032.35**
Movement In Working Capital:			
Increase/(Decrease) in Trade Payables & Other Current Liabilities		(835.23)	408.22
Increase/(Decrease) in Other Long Term Liabilities		(10.43)	60.61
Increase/(Decrease) in Provisions		12.97	(213.39)
(Increase)/Decrease in Trade Receivables		942.49	(2,368.96)
(Increase)/Decrease in Inventories		307.38	(1,446.84)
(Increase)/Decrease in Other Current Assets and other bank balances		17.87	492.01
(Increase)/Decrease in Other Non-Current Assets		18.05	6.27
Cash Generated From Operations		**4,372.63**	**3,970.28**
Direct Tax paid (Net of Refunds)		(276.87)	(1,240.31)
Net Cash Inflow From/(Used In) Operating Activities	(A)	**4,095.76**	**2,729.97**
Cash Flows From Investing Activities			
Purchase of Property, Plant and Equipment		(5,797.83)	(1,548.24)
Sale Proceeds of Property, Plant and Equipment		193.83	95.09
Purchases of Investments		-	(260.00)
Sale of Investments		-	2,022.76
Interest Income		40.30	165.69
Net Cash From/ (Used In) Investing Activities	(B)	**(5,563.70)**	**475.30**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		For the Year ended March 31, 2019	For the Year ended March 31, 2018
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (Decrease) in Long Term & Short Term Borrowings		2,406.48	(2,384.80)
Dividend Paid		(85.89)	(85.39)
Interest paid (net)		(867.65)	(720.61)
Net cash inflow from/(used in) Financing Activities	**(C)**	**1,452.94**	**(3,190.80)**
Net Increase / (Decrease) In Cash And Cash Equivalents	**(A+B+C)**	**(15.00)**	**14.47**
Opening Balance of Cash and Cash Equivalents		25.65	11.18
Total Cash And Cash Equivalent (Note No. 13)		**10.65**	**25.65**
Components Of Cash And Cash Equivalents			
Cash on hand		3.32	5.17
With banks - on current account and deposits with banks		7.33	20.48
Total Cash and Cash equivalent (Note No. 13)		**10.65**	**25.65**
Summary of Significant Accounting Policies (Note No. 3)			

The accompanying Notes form an integral part of these financial statements.

As per our Report of even date attached
For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership Number 073696

Place of Signature : New Delhi
Date : May 22, 2019

for & on behalf of Board of Directors of Orient Bell Limited

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Chief Financial Officer

Yogesh Mendiratta
Company Secretary
M. No 13615

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE 1 : CORPORATE INFORMATION

Orient Bell Limited (hereinafter referred as the Company) was incorporated on May 18, 1977 and is engaged in the manufacturing, trading and selling of ceramic and floor tiles. The Company is a public limited company incorporated and domiciled in India and has its registered office at Sikandrabad, Uttar Pradesh, India. The Company has its primary listings on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

The consolidated financial statements comprise financial statements of the Company and includes share of profit of two of its associate private limited companies for the year ended March 31, 2019. The consolidated financial statement are approved by the Board of Directors in their Board Meeting held on May 22, 2019.

NOTE 2: STATEMENT OF COMPLIANCE

The consolidated financial statements are prepared on an accrual basis under historical cost Convention. These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.

The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

a) Basis of Preparation and presentation

The consolidated financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value and defined benefit plans - plan assets measured at fair value at the end of each reporting period, as explained in the relevant accounting policies mentioned.

The consolidated financial statements are presented in ₹ and all values are rounded to the nearest Lakhs except otherwise stated.

b) Basis of Consolidation and Equity Accounting:

i) Associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see note (ii) below), after initially being recognised at cost.

ii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment.

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar transactions.

c) Going Concern

The board of directors of the Company have considered the financial position of the Company at March 31, 2019, the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these consolidated financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

d) Recent Accounting Pronouncements

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying amendments to Ind AS 12 'Income Taxes', introduced the Appendix 'C' to IND AS 12 'Uncertainty over Income Tax Treatments', amendments to Ind AS 19 'Employee Benefits' and also introduced new standard Ind AS 116 'Leases'. These amendments rules are applicable to the Company from April 1, 2019.

Ind AS 116 Leases: On March 30 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. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which are to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax Credits and tax rates.

Amendment to Ind AS 12 – Income taxes: On March 30 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders.

Amendment to Ind AS 19 – Plan amendment, curtailment or settlement- On March 30 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The Company is currently evaluating the effect of these amendments on the consolidated financial statements.

e) Application of New Accounting Pronouncements

The following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules 2018, were applied by the Company during the year:

- Ind AS 115, Revenue from Contracts with Customers with effect from April 1, 2018
- Appendix B to Ind AS 21, Foreign Currency Transactions and advance consideration with effect from April 1, 2018

Note 3: Significant Accounting Policies

a) Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

Use of Estimates and Judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a

Notes to Consolidated Financial Statements for the year ended March 31, 2019

significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Also, the Company has made certain judgements in applying accounting policies which have an effect on amounts recognized in the consolidated financial statements.

i) Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

ii) Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

iii) Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

iv) Defined benefit plans

The present value of the gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the actuary considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

v) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets:

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle.
ii) Held primarily for the purpose of trading
iii) Expected to be realised within twelve months after the reporting period, or
iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities:

A liability is current when:

(i) It is expected to be settled in normal operating cycle
(ii) It is held primarily for the purpose of trading

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) 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 classified as non-current.

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

Operating cycle: The operating cycle is the time between the acquisition of assets / liabilities for processing and their realisation / payment in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) Property, Plant and Equipment (PPE)

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

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

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Subsequent costs: The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred.

Decommissioning Costs : The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work in progress: Capital work in progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

The Company had applied for the one time transition exemption at considering the carrying cost on the transition date i.e. 1st April, 2016 as the deemed cost under Ind AS.

Depreciation : Depreciation on PPE are provided to the extent of depreciable amount on straight line basis (SLM). Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 except on certain assets, where useful life has been taken based on external / internal technical evaluation which is given below in table. Leasehold Land and Leasehold Improvements are amortised over the period of lease or useful life of assets whichever is lower. The residual values, useful lives are reviewed at each financial year end and adjusted appropriately.

Particulars	Useful life as per Schedule II of Companies Act, 2013 (Years)	Management Estimate of Useful Life (Years)*
Plant and Machinery		
Moulds	25 years	5 years
Punches	25 years	5 years
Digital Machine	25 years	10 years
Others	25 years	18 years
Office Equipment		
Mobiles	5 years	3 years

*For these classes of assets, based on internal assessment by technical team, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

d) Intangible Assets

Recognition and measurement

Intangible assets that are acquired by the Company are measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. All expenditures, qualifying as Intangible Assets are amortized over estimated useful life. Specialized softwares are amortized over a period of 3 years or license period whichever is earlier.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Amortisation

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2016 as the deemed cost under Ind AS.

e) Borrowing Costs

Borrowing costs consists of interest and amortization of ancillary costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest cost.

f) Foreign Currency Transaction

Functional and presentational currency

The Company's consolidated financial statements are presented in Indian Rupees (₹ in lakhs) which is Company's functional currency and the Presentational Currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

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

Advances received or paid in foreign currency are recognised at exchange rate on the date of transaction and are not retranslated.

g) Revenue Recognition

The Company derives revenues primarily from sale of manufactured goods and traded goods

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) -'Revenue from contracts with customers' The effect on adoption of Ind-AS 115 was insignificant.

Revenue from sale of products is recognized upon transfer of control to customers. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods to a customer as specified in a contract, excluding amounts collected on behalf of third parties (for example, taxes and duties collected on behalf of the Government). A receivable is recognized upon satisfaction of performance obligations as per the Contracts.

Use of significant Judgements in Revenue Recognition

- Judgement is required to determine the transaction price for the contract. The transaction price could be either a

Notes to Consolidated Financial Statements for the year ended March 31, 2019

fixed amount of consideration or variable consideration with elements such as volume discounts, price concessions, incentives etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

- The Company assesses its revenue arrangements against specific recognition criterias like exposure to the significant risks and rewards associated with the sale of goods. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Company and its customers are reviewed to determine each party's respective role in the transaction.

Other Operating Revenue

Dividend income is recognized when the right to receive payment is established.

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

Claims receivables on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

h) Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. The cost of various components of inventory is determined as follows:-

Raw Materials, Stores, Spares and Packing Material	Cost includes purchase price, non refundable duties, taxes and all other costs incurred in bringing the inventories to their present location. Cost is determined on First In First Out (FIFO) basis.
Stock-in-process and Finished Goods	Cost includes material cost and also includes an appropriate portion of allocable overheads. Cost is determined on First in First Out basis.
Traded Goods	Cost includes purchase cost, duties, taxes and all other costs incurred in bringing the inventory to their present location. Cost is determined on First In First Out (FIFO) basis.

i) 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 lease.

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. All the lease other than Finance lease are classified as operating lease.

Finance lease

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease

A lease where risks and rewards incidental to ownership of an asset substantially vest with the lessor is classified as operating lease. Lease payments under operating leases are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

The Company has ascertained that the payments to the lessor that are structured in line with expected general inflation to compensate for the lessor's expected inflationary cost are not straight-lined. Hence, the lease payments are recognised on an accrual basis as per terms of the lease agreement.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over

Notes to Consolidated Financial Statements for the year ended March 31, 2019

the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

j) Employee's Benefits

Short Term Employee Benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in Statement of Profit and Loss in the period in which the employee renders the related service.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and thereafter, will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance Schemes are defined contribution scheme and contributions paid / payable are recognised as an expense in the statement of profit and loss during the year in which the employee renders the related service.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities. Re-measurements, comprising actuarial gains and losses including, the effect of the changes to the asset ceiling (if applicable), is reflected immediately in Other Comprehensive Income, they are included in retained earnings in the Statement of Changes in Equity and Balance Sheet. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Other Long Term Benefits

Long term compensated absences are provided for on the basis of actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains / loss are recognised in Statement of Profit & Loss. On the basis of companies policy, compensated absences upto 50 days (60 days in case of Dora worker and 30 days in case of SKD workers) are recognised as long term employee benefit & compensated absences beyond 60/50/30 days as may be applicable, shall lapse after the end of financial year.

Employees Share Based Payment

Employees (including senior executives) of the Group receive component of remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled Transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

k) Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and 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.

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

Contingent liability is disclosed in the case of;

i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle obligation;

ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

l) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

1) Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

2) Classification and Subsequent measurement

(a) Financial Assets

For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial Asset carried at amortised cost
- Financial Asset at fair value through other comprehensive income (FVTOCI)
- Financial Asset at fair value through profit and loss (FVTPL)

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

- Financial Asset carried at amortised cost

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

- Financial Asset at fair value through other comprehensive income (FVTOCI)

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

- Financial Asset at fair value through profit and loss (FVTPL)

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

- Equity investment in Associates

  Investments representing equity interest in associates are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

The Company had elected for one time Ind AS 101 exemption and adopted the fair value of ₹ 10 of its investment in equity shares of its associates as its deemed cost as at the date of transition.

De-recognition

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

(i) The contractual rights to receive cash flows from the asset has expired, or

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

(b) Financial Liabilities

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities at Amortized cost

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

De-recognition

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

(c) Off setting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

m) Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

n) Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

An impairment loss is recognized, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in statement of profit and loss.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to

Notes to Consolidated Financial Statements for the year ended March 31, 2019

determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

o) Fair Value Measurement

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

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

p) Taxes on Income

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses (if any). Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for

Notes to Consolidated Financial Statements for the year ended March 31, 2019

Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement ". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

In accordance with Ind AS 12 Company is grouping MAT credit entitlement with Deferred Tax Assets / Liability (Net).

q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r) Earnings per share (EPS)

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

s) Segment Reporting

The Company has the policy of reporting the segments in a manner consistent with the internal reporting provided to the chief decision maker. The chief decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Land- Freehold	Land- Leasehold	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installations & Equipment	Computers	Total
Gross Block (At Deemed Cost)											
As at April 01, 2017	5,841.48	183.60	4,787.50	337.15	10,281.54	47.49	321.74	65.81	49.64	61.54	21,977.49
Add: Additions made during the year	10.52	-	170.64	55.04	957.13	8.24	17.39	11.50	1.93	38.02	1,270.41
Less: Disposals/adjustments during the year	-	-	38.17	-	216.19	10.34	35.22	5.26	11.58	0.60	317.36
As at March 31, 2018	5,852.01	183.60	4,919.97	392.19	11,022.48	45.38	303.90	72.05	40.00	98.96	22,930.54
Add: Additions made during the year	-	-	1,514.76	52.77	4,276.12	2.24	133.17	12.41	11.41	19.47	6,022.35
Less: Disposals/adjustments during the year	-	-	11.17	3.94	45.45	-	134.73	0.70	-	19.43	215.42
As at March 31, 2019	5,852.01	183.60	6,423.56	441.02	15,253.15	47.62	302.34	83.76	51.41	99.00	28,737.47
Depreciation and impairment											
As at April 01, 2017	-	2.74	253.78	57.35	1,443.36	9.00	48.22	18.03	7.39	17.89	1,857.76
Add: Depreciation charge for the year	-	2.74	245.18	65.77	1,088.01	6.48	49.64	17.87	6.67	14.01	1,496.37
Less: Disposals/adjustments during the year	-	-	4.25	-	37.09	3.39	7.38	1.51	5.98	-	59.60
As at March 31, 2018	-	5.48	494.72	123.11	2,494.28	12.09	90.48	34.38	8.08	31.90	3,294.53
Add: Depreciation charge for the year	-	2.74	247.78	59.96	1,241.64	5.53	46.05	15.73	4.72	21.39	1,645.54
Less: Disposals/adjustments during the year	-	-	0.83	2.65	6.42	-	60.87	0.66	-	1.83	73.26
As at March 31, 2019	-	8.22	741.67	180.42	3,729.50	17.62	75.66	49.45	12.80	51.46	4,866.81
Net book value											
As at March 31, 2019	5,852.01	175.38	5,681.90	260.60	11,523.65	30.00	226.68	34.30	38.61	47.54	23,870.66
As at March 31, 2018	5,852.01	178.12	4,425.26	269.08	8,528.20	33.29	213.42	37.66	31.92	67.06	19,636.01

a) In earlier years, the Company had acquired a land from Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) at Industrial Park, Phase-II, Peddapuram, East Godavari District, Andhra Pradesh. Due to non- implementation of agreed project by the Company, the Company had received a notice from APIIC for resumption of such allotment in F.Y. 2016-17. Against such notice, the Company has filed a writ petition before High Court of Andhra Pradesh to set aside the said notice of APIIC. Subsequently, the Company has received a stay order from the Hon'ble High Court granting interim suspension of the proceedings in said notice of APIIC. As on the reporting date, the matter involved is sub-judiced before the Hon'ble High Court of Andhra Pradesh.

b) Refer Note No. 17, for Information on Property, Plant and Equipment pledged as security by the Company.

c) Gross carrying amount of fully depreciated Property, Plant & Equipment that is still in use as at March 31, 2019: ₹ 992.31 Lakhs.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE 5 : CAPITAL WORK IN PROGRESS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2019	As At March 31, 2018
Capital work in progress	102.15	102.58
	102.15	**102.58**
a) Breakup of Capital Work in Progress is as follows:		
Buildings	70.04	-
Plant and Equipment	32.11	102.58
	102.15	**102.58**

NOTE 6 : OTHER INTANGIBLE ASSETS (OTHER THAN GOODWILL)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Computer Software	Total
At Deemed Cost		
Gross block		
As at April 01, 2017	13.11	13.11
Add: Additions during the year	14.87	14.87
Less: Disposals / adjustments during the year	-	-
As at March 31, 2018	27.98	27.98
Add: Additions during the year	4.26	4.26
Less: Disposals / adjustments during the year	-	-
As at March 31, 2019	32.24	32.24
Amortisation and impairment		
As at April 01, 2017	8.36	8.36
Add: Amortisation charge for the year	5.72	5.72
Less: On disposals/adjustments during the year	-	-
As at March 31, 2018	14.08	14.08
Add: Amortisation charge for the year	6.59	6.59
Less: On disposals / adjustments during the year	-	-
As at March 31, 2019	20.67	20.67
Net book value		
As at March 31, 2019	11.57	11.57
As at March 31, 2018	13.90	13.90

NOTE 7 : NON-CURRENT INVESTMENTS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2019	As At March 31, 2018
Investment in Associates (Refer Note 49A)		
Unquoted		
31,20,000 (March 31, 2018 : 31,20,000) Equity Shares of Proton Granito Private Limited of ₹ 10 each, fully paid up	400.22	370.01
26,00,000 (March 31, 2018: 2,600,000) Equity Shares of Corial Ceramic Private Limited of ₹ 10 each, fully paid up	268.47	260.00
	668.69	**630.01**
Aggregate value of unquoted investments	668.69	630.01

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE 8 : OTHER FINANCIAL ASSETS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Security Deposits (Unsecured, considered good (Refer to note 'a' and 'b' below)	313.16	307.83	6.92	41.44
Deposits with original maturity of more than 12 months (Refer to note 'c' and 'd' below)	3.65	3.98	-	-
Interest accrued on security deposits	-	-	19.06	19.15
Interest accrued on fixed deposits	0.38	0.21	2.72	0.88
	317.19	**312.02**	**28.70**	**61.47**

a) The Company has determined its security deposits are not in the nature of loans and accordingly have been classified as part of other financial assets.

b) Out of the above security deposit ₹ 10 lakh (March 31, 2018: ₹ 10 Lakh) pertains to the related parties.

c) Fixed Deposits with a carrying amount of ₹ Nil (March 31, 2018 : ₹ 0.42 Lakh) are subject to first charge to secure the Company's loans from banks.

d) Fixed Deposits with a carrying amount of ₹ 3.65 Lakh (March 31, 2018 : ₹ 3.56 Lakh) are pledged with Government Authorities.

NOTE 9 : NON CURRENT TAX ASSET

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2019	As At March 31, 2018
Advance Income Tax (Net of provision of ₹ Nil (March 31, 2018 : ₹ Nil)	-	-
	-	-

NOTE 10 : OTHER ASSETS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good, unless otherwise stated)				
Capital Advances	17.39	245.75	-	-
Balance with Government Authorities	49.59	75.10	8.30	80.73
Advances to Employees	-	-	12.05	14.39
Advances to Suppliers	-	-	51.61	119.17
Deferred Payment Assets	8.83	13.88	4.21	5.27
Gratuity Fund (Refer Note 37)	-	-	61.65	-
Prepaid Expenses	17.35	10.00	119.66	111.10
	93.16	**344.73**	**257.48**	**330.66**

a) Advance to Suppliers includes balances of related parties amount to ₹ Nil as at March 31, 2019 (March 31, 2018 : ₹ 36.50 Lakh)

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE 11 : INVENTORIES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Materials	697.90	1,405.71
Work In Progress	91.90	76.50
Finished Goods	6,124.50	5,595.79
Stock-in Trade	193.20	145.13
Stores and Spares	1,159.70	1,517.09
Goods In Transit-Stores & Spares	217.13	-
Packing Material	111.90	163.46
	8,596.23	**8,903.68**
Less Provisions for Slow and Non moving Inventories - Finished Goods	50.56	20.35
	8,545.67	**8,883.33**

a) For mode of valuation Refer Note 3(h)

NOTE 12 : TRADE RECEIVABLES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		As at March 31, 2019	As at March 31, 2018
- Considered Good - Secured	(A)	330.42	362.41
- Considered Good - Unsecured		11,334.48	12,245.82
Less: Allowance for Expected Credit Loss		43.41	31.21
	(B)	**11,291.07**	**12,214.61**
- Credit Impaired		-	7.55
Less: Allowance for Expected Credit Loss		-	7.55
	(C)	-	0.00
	(A+B+C)	**11,621.49**	**12,577.03**

a) The Company has no receivables which have significant increase in Credit Risk. (Refer Note 46)
b) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.
c) Nor any trade or other receivable are due from firms or private companies in which any director is a partner, director or a member.
d) Trade receivables are generally on terms of not more than 90 days.

NOTE 13 : CASH AND CASH EQUIVALENTS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks:		
- Current Account	7.33	5.48
- Deposits with Original Maturity of Less than 3 Months (Refer Note 'a' & 'b')	-	15.00
Cash on Hand	0.85	3.45
Foreign Cash on Hand	2.47	1.72
	10.65	**25.65**

a) Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.
b) Fixed Deposits with a carrying amount ₹ Nil (March 31, 2018 : ₹ 15 Lakh) are subject to first charge to secure the Company's loans from banks.
c) For the purpose of the statement of cash flow, the cash and cash equivalent are same given above.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE 14 : BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENT

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Earmarked balances with banks				
-Unpaid Dividend Account	-	-	11.99	14.05
- Deposits with original maturity of more than 3 months but less than 12 months (Refer note 'a' & 'b' below)	-	-	332.28	236.29
- Deposits with original maturity of more than 12 months	3.65	3.98	-	-
	3.65	**3.98**	**344.27**	**250.34**
Less: Amount disclosed under " Other Financial Assets" (Refer Note 8)	3.65	3.98	-	-
	-	-	344.27	250.34

a) Fixed Deposits with a carrying amount of ₹ 332.03 Lakh (March 31, 2018 : ₹ 235.96 Lakh) are subject to first charge to secure the Company's loans from banks.

b) Fixed Deposits with a carrying amount of ₹ 0.25 Lakh (March 31, 2018 : ₹ 0.33 Lakh) are pledged with Government Authorities.

NOTE 15A : EQUITY SHARE CAPITAL

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised 4,00,00,000 (March 31, 2018 : 4,00,00,000) Equity Share of ₹ 10 each*	4,000.00	4,000.00
	4,000.00	**4,000.00**
Issued, subscribed and paid up 1,42,48,576 (March 31, 2018 : 1,42,31,076) Equity Share of ₹ 10 each*, fully paid up	1,424,.86	1,423.11
	1,424.86	**1,423.11**

a) **Reconciliation of Issued and Subscribed Share Capital:**

Particulars	No. of shares*	Amount in ₹ Lakhs
Balance as at April 1, 2017	**1,41,89,601**	**1,418.96**
Add: ESOP shares issued during the year	41,475	4.15
Balance as at March 31, 2018	**1,42,31,076**	**1,423.11**
Add: ESOP shares issued during the year	17,500	1.75
Balance as at March 31, 2019	**1,42,48,576**	**1,424.86**

b) **Terms/ rights attached to equity shares:**

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2019, the amount of per share dividend proposed as distributions to equity shareholders was ₹ 0.50 per share (March 31, 2018: ₹ 0.50 per share). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Details of Shareholders Holding More than 5% Shares In the Company**

Name of Party	As at March 31, 2019		As at March 31, 2018	
	No. of shares*	Holding %	No. of shares*	Holding %
Mr. Mahendra K Daga	30,35,625	21.30	28,98,716	20.37
Mr. Madhur Daga	12,87,417	9.04	12,73,264	8.95
Good Team Investment & Trading Company Private Limited	23,88,973	16.77	23,78,914	16.72

Notes to Consolidated Financial Statements for the year ended March 31, 2019

d) Shares reserved for issue under options

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares*	Amount	No. of shares*	Amount
Under 2013 Orient Bell Employee Stock Option Scheme: Equity Shares of ₹ 10 each, at an exercise price of ₹ Nil Per Share	-	-	17,500	-

NOTE 15B : PREFERENCE SHARE CAPITAL

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
1,50,00,000 (March 31, 2018: 1,50,00,000) Non Convertible Redeemable Cumulative Preference Shares of ₹ 10 each*	1,500.00	1,500.00
	1,500.00	**1,500.00**

* Number of Shares are given in absolute numbers.

NOTE 16 : OTHER EQUITY

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Reserve	25.57	25.57
Securities Premium	1,277.63	1,257.18
Capital Restructuring	46.16	46.16
Amalgamation Reserve	913.04	913.04
Share Options Outstanding Account	151.51	60.63
General Reserve	4,882.91	4,882.91
Retained Earnings	14,573.98	13,731.66
Other Comprehensive Income	(38.80)	(102.59)
	21,832.00	**20,814.56**

a) For Movement during the period in Other Equity, refer "Statement of Change in Equity".

b) Nature and Purpose of Other Reserves

i) Capital Reserves

Capital Reserve was carried forward under the previous GAAP from the books of Amalgmating company at the time of Amalgamation.

ii) Security Premium Reserve

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve will be utilised in accordance with provisions of the companies Act 2013.

iii) Capital Restructuring

Capital Restructuring reserve was carried forward under the previous GAAP from the books of Amalgmating company at the time of Amalgamation.

iv) Amalgamation Reserve

Amalgamation reserve was created under the previous GAAP on the basis of scheme of amalgamation of Bell Ceramics Limited with the Company as approved by the High Court of Allahabad and Gujrat for the year ended March 31, 2012.

v) Share Options Outstanding Account

The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

vi) General Reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

vii) Retained Earnings

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

All the profits made by the Company are transferred to retained earnings from statement of profit and loss. However retained earnings includes ₹ 4,340.04 Lakh (March 31, 2018 : ₹ 4,401.25 Lakh) on account of amount transferred from revaluation reserve which is not available for distribution (to the extent of value of depreciable assets).

NOTE 17 : BORROWINGS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Secured Loans				
Term Loan				
From Banks				
Corporate loans	2,863.37	736.62	854.63	498.99
Vehicle loans	38.10	7.52	25.90	19.36
From Financial Institution	111.91	299.03	208.71	198.56
Cash Credit Facilities	-	-	1,501.86	2,735.33
Working Capital demand loan	-	-	2,799.90	1,200.00
Unsecured Loans				
Term Loan From Bank				
Corporate loans	-	193.40	193.53	296.31
From Related Parties	1,500.00	1,500.00	-	-
	4,513.38	2,736.57	5,584.53	4,948.55

a) For Interest rate and Liquidity risk related disclosures, refer note 46.

b) The Nature of Security for Term Loan are :

i) The above Secured Loans, ₹ 4,102.63 Lakh (March 31, 2018: ₹ 1,760.08 Lakh) are secured by way of first pari passu charge on entire fixed assets excluding assets having specific charge, both present and future, and collaterally by way of second pari passu charge on the current assets of the Company. These pertains to various bankers and financial institution namely, Tata Capital Financial Services Ltd, ICICI Bank, IDFC Bank and Axis Bank.

ii) Vehicle loans are secured by way of hypothecation of respective vehicles with the various bankers and financial institutions namely, Daimler Financial Services India Pvt Ltd, HDFC Bank, ICICI Bank and Axis Bank.

c) The Nature of Security for Cash Credit & Working Capital Loan are :

i) The Company has a consortium of Various bankers namely State Bank of India, Punjab National Bank, IDBI Bank, Indus Ind Bank, IDFC Bank and Axis Bank (hereafter called the “Consortium”) for Non Current Borrowings (secured).

ii) The above Cash Credit and Working Capital Loans ₹ 4,301.76 Lakh (March 31, 2018: ₹ 3,935.33 Lakh) are primarily secured by way of first pari passu charge on entire current assets of the Company and collaterally by way of second pari passu charge on the entire fixed assets excluding assets having specific charge, both present & future.

iii) The demand loans are repayable on demand and carries interest rate ranges from 8.50% to 11.75% per annum

d) Maturity Profile- Secured Term Loans

(All amounts in ₹ lakhs, unless otherwise stated)

Maturity profile of Secured Term Loans is as set out below :	2019-20	2020-21	Beyond 2020-21
Term loan from Banks and Financial Institution are repayable in monthly/ quarterly/yearly installments	1,053.83	1,144.00	1,819.23
Vehicle loans from banks and Financial Institution are repayable in monthly installments	35.43	33.97	16.18

Notes to Consolidated Financial Statements for the year ended March 31, 2019

e) The term loan(s) carries rate of interest ranging between 8.70% to 12.10% per annum.

f) **Maturity Profile- Unsecured Loans**

(All amounts in ₹ lakhs, unless otherwise stated)

Maturity profile of Unsecured Term Loans is as set out below :	2019-20	2020-21	Beyond 2020-21
Term loan from bank is repayable in monthly/quarterly installments	193.53	-	-

g) **The nature of guarantee for Unsecured Loans are :**
Unsecured loan from Bank is secured against property of Promoter at Kolkata.

h) Trade deposits are not in nature of borrowings and hence are re-grouped from borrowings to Other Financial Liabilities as at March 31, 2019.

NOTE 18 : OTHER FINANCIAL LIABILITIES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Trade Deposits (Refer note 'a' & 'b' below)	1,006.37	1,018.22	-	-
Earnest Money Received from Employees	29.41	27.93	0.54	6.29
Security From Employees	1.88	1.94	-	-
Interest Accrued but not due on Borrowings	-	-	14.50	22.36
Unpaid Dividends (Refer Note 'c' below)	-	-	11.99	14.05
	1,037.66	**1,048.09**	**27.03**	**42.70**

a) Trade deposits are repayable on cessation of business transaction with dealers. The trade deposits carry rate of interest @ 7% per annum.

b) Trade deposits are not in the nature of borrowings and hence are re-grouped from borrowings to Other Financial Liabilities as at March 31, 2019 and March 31, 2018.

c) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2019 (March 31, 2018: Nil).

NOTE 19 : PROVISIONS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits				
Compensated Absenses (Refer Note 37)	233.43	260.28	53.82	47.55
Gratuity (Refer Note 37)			-	66.68
Other Provisions				
Lease Equalisation Reserve	8.85	8.54	2.81	0.94
	242.28	**268.82**	**56.63**	**115.17**

a) For Movement in Provision, Refer Note 47.

NOTE 20 : DEFERRED TAX LIABILITIES (NET)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Gross Deferred Tax Liabilities	3,097.00	2,749.20
Gross Deferred Tax Assets	(144.21)	(169.16)
Minimum Alternate Tax Credit Entitlement	(233.01)	(60.29)
	2,719.78	**2,519.75**

Notes to Consolidated Financial Statements for the year ended March 31, 2019

a) Movement in Deferred Tax Liabilities (Net)

(All amounts in ₹ lakhs, unless otherwise stated)

	As At March 31, 2017	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Compre-hensive Income	As At March 31, 2018
Deferred tax assets relates to the following:				
Provision for employee benefits	264.17	(77.75)	(41.62)	144.79
Lease equalisation reserve	2.60	0.68	-	3.28
Provision for Slow Moving of Inventories	-	7.04	-	7.04
Deferred Assets	0.39	0.04	-	0.43
Provision for Trade Receivables	25.06	(11.64)	-	13.41
Others	2.56	(2.36)	-	0.20
	294.77	**(84.00)**	**(41.62)**	**169.16**
Deferred tax liability relates to the following:				
Property, plant and equipment	2,903.56	(156.61)	-	2,746.96
Borrowing (EIR)	2.99	(1.51)	-	1.49
Others	-	0.76	-	0.76
	2,906.56	**(157.36)**	**-**	**2,749.20**
Minimum Alternate Tax Credit Entitlement	-	60.29	-	60.29
Total deferred tax assets/(liabiities) (Net)	**2,611.78**	**(133.65)**	**41.62**	**2,519.75**

(All amounts in ₹ lakhs, unless otherwise stated)

	As At March 31, 2018	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Compre-hensive Income	As At March 31, 2019
Deferred tax assets relates to the following:				
Provision for Employee Benefits	144.79	(8.25)	(34.26)	102.28
Lease equalisation reserve	3.28	0.79	-	4.07
Provision for Slow Moving of Inventories	7.04	10.65	-	17.69
Deferred Assets	0.43	0.41	-	0.84
Provision for Trade Receivables	13.41	1.75	-	15.17
Others	0.20	3.97	-	4.16
	169.16	**9.32**	**(34.26)**	**144.21**
Deferred tax liability relates to the following:				
Property, plant and equipment	2,746.96	321.36	-	3,068.32
Borrowing (EIR)	1.49	5.66	-	7.14
Gratuity	-	21.54	-	21.54
Others	0.76	(0.76)	-	
	2,749.20	**347.80**	**-**	**3,097.00**
Minimum Alternate Tax Credit Entitlement	60.29	172.72	-	233.01
Total deferred tax assets/(liabiities) (Net)	**2,519.75**	**165.76**	**34.26**	**2,719.78**

b) MAT Paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE 21 : TRADE PAYABLE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
- Outstanding Dues to Micro and Small Enterprises	2.57	-
- Others	7,085.45	7,829.84
	7,088.02	7,829.84

a) Trade payables are non-interest bearing and are normally settled within 90-day terms except for SME's (if any) which are settled within 45 days.

b) Trade payables to related parties amounts to ₹ 921.24 Lakh as at March 31, 2019 (March 31, 2018 : ₹ 690.96 Lakh)

c) Trade payables includes ₹ 252.31 lakhs as at March 31, 2019 (March 31, 2018 : ₹ Nil) on account of acceptances.

d) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 & as certified by the management, the amount due to Micro, & small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
- The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	2.57	-
- The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
- The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
- The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
- The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

NOTE 22 : OTHER CURRENT LIABILITIES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory dues	801.74	970.43
Advance from Customers	464.53	413.22
	1,266.27	1,383.65

NOTE 23 : CURRENT TAX LIABILITIES (NET)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Income Tax {Net of Advance Tax ₹ 225.70 lakh (March 31, 2018 : ₹ 971.16 lakh)}	79.24	36.92
	79.24	36.92

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE 24 : REVENUE FROM OPERATIONS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of Product		
Finished Goods	36,935.29	45,052.10
Traded Goods	21,139.72	22,501.43
Revenue from Operations (Gross)	58,075.01	67,553.53
Less: Cash Discount and Other Scheme	(1,130.26)	(1,695.32)
	56,944.75	65,858.22
Other Operating Revenues		
Miscellaneous Sale	71.59	78.46
Insurance Claim (net)	97.56	-
Revenue from operations (Net)	**57,113.90**	**65,936.68**

a) Consequent to the introduction of goods and services Tax (GST) with effect from 1 July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the GST is not recognised as part of revenue from operations. This has resulted in lower reported revenue from operations in the current year in comparison to the revenue from operations to the extent was reported under the pre-GST structure of indirect taxes. Accordingly, the Revenue from operations for the year ended March 31, 2019 are not comparable with year ended March 31, 2018 presented in the financial statement to the extent was reported inclusive of Excise Duty. The following additional information is being provided to facilitate such understanding:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations (gross of excise duty)	57,113.90	67,092.14
Excise duty	-	1,155.46
Revenue from operations (exclusive of excise duty)	**57,113.90**	**65,936.68**

b) **Performance Obligation**

Revenue is recognised upon transfer of control of products to the customers.

During the year, the Company has not entered into long term contracts with customers and accordingly disclsoure of unsatisfied or remaining performance obligation (which is affected by several factors like changes in scope of contracts, periodic revalidations, adjustment for revenue that has not been materialized, tax laws etc.) is not applicable to the Company.

c) **Disaggregation of Revenue**: The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread of the operations of the Company. The Company believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
- Within India	55,979.11	64,943.36
- Outside India	965.64	914.86
	56,944.75	**65,858.22**

d) **Reconciliation of Revenue from operations with contracted price**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Contracted Price (Net of Sale return)	58,075.01	64,162.90
Less: Discounts and Other Schemes	1,130.26	1,695.32
	56,944.75	**65,858.22**

Notes to Consolidated Financial Statements for the year ended March 31, 2019

e) **Trade Receivables and Contract Balances**

For Trade Receivables, refer Note No. 12.

Further, the Company has no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;

- it does not adjust any of the transaction prices for the time value of money, and
- there is no unbilled revenue as at March 31, 2019.

NOTE 25 : OTHER INCOME

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income		
- On Fixed deposits	24.18	42.48
- Income tax refund	-	11.80
- Others	16.12	111.40
Provision for doubtful receivables written back	7.55	33.64
Excess liability written back	39.66	3.94
Profit on sale of fixed assets	51.65	-
Unwinding of discount on deposits	5.85	6.10
Miscellaneous Income	48.50	28.84
	193.51	238.20

NOTE 26 : COST OF RAW MATERIAL CONSUMED

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw Material		
Balance at the beginning of the Year	1,405.71	1,006.64
Add:- Purchases during the year	8,227.97	11,534.94
Less:- Balance at the end of the Year	697.90	1,405.71
Total Raw Material Consumption	8,935.78	11,135.87

NOTE 27 : EXCISE DUTY

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Excise Duty Paid	-	1,155.46
	-	1,155.46

NOTE 28 : PURCHASE OF STOCK IN TRADE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Stock in Trade	17,327.73	18,242.01
	17,327.73	18,242.01

Notes to Consolidated Financial Statements for the year ended March 31, 2019

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

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the beginning of the year			
Work-in-progress		76.50	35.86
Finished Goods		5,595.79	4,974.77
Stock-in Trade		145.13	200.98
	(A)	5,817.42	5,211.61
Inventories at the end of the year			
Work-in-progress		91.90	76.50
Finished Goods		6,124.50	5,595.79
Stock-in Trade		193.27	145.13
	(B)	6,409.67	5,817.42
(Increase) / Decrease in Inventory	(A-B)	(592.25)	(605.81)

NOTE 30 : EMPLOYEE BENEFITS EXPENSE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, Wages & Bonus	6,756.45	6,813.41
Compensated Absences*	36.74	33.75
Contribution to Provident and Other fund*	246.65	264.49
Expense on employee stock option schemes	113.09	59.67
Gratuity Expense*	124.56	130.90
Staff Welfare Expenses	287.16	302.31
	7,564.65	7,604.53

* Refer Note 37

NOTE 31 : FINANCE COST

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Expense		
- On Term loans	309.87	280.56
- On Cash Credit & Working Capital Facilities	313.82	168.39
- Delayed Payment of Advance Taxes	4.25	2.48
- Others	174.30	175.83
Letter of Credit Charges	19.33	25.32
Charges for Borrowing Facilities	49.30	75.23
	870.87	727.81

NOTE 32 : DEPRECIATION AND AMORTIZATION EXPENSE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of Property, Plant and Equipment	1,645.54	1,496.36
Amortization of Intangible Assets	6.59	5.72
	1,652.13	1,502.08

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE 33 : OTHER EXPENSES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Stores & Spares consumed	1,412.43	1,595.67
Packing Material Consumed	2,098.85	2,696.73
Increase/(Decrease) in Excise Duty	-	(683.37)
Gas & fuel	8,746.04	9,334.72
Electricity	1,907.25	2,192.93
Rent (Refer Note ‘c’ below)	387.03	445.82
Hire Charges	457.27	430.33
Rates & Taxes	39.47	61.23
Insurance	34.83	52.71
Repair & Maintenance		
Plant & Machinery	223.13	278.92
Buildings	66.62	123.43
Other	158.80	223.54
Designing & Processing	19.99	18.98
Freight & Forwarding Charges	887.14	1,721.21
Advertisement and Sales Promotion	1,963.72	2,851.90
Legal & Professional Expenses	212.57	588.58
Travelling & Conveyance	907.79	991.93
Communication Costs	75.42	105.90
Printing & Stationery	50.47	56.83
Bank charges	2.48	4.03
Payment to the Auditors (Refer note ‘a’ below)	23.51	20.97
Exchange Fluctuation (Net)	28.91	8.92
Bad debts written off	8.40	35.43
Provision for Slow Moving of Inventories- Finished Goods	30.21	20.35
Provision for doubtful debts	12.20	-
Loss on sale of fixed assets	-	162.66
Corporate Social Responsibility (Refer note ‘b’ below)	44.87	34.46
Miscellaneous Expenses	377.77	331.10
Total	**20,177.17**	**23,705.91**

a) Details of payment made to auditors is as follows:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditor:		
- Statutory Audit Fee	15.75	15.00
- Other Services	6.43	5.50
- Reimbursement of Expenses	1.33	0.47
	23.51	20.97

Notes to Consolidated Financial Statements for the year ended March 31, 2019

b) The Company has spent ₹ 44.87 Lakh (March 31, 2018 : ₹ 34.46 Lakh) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. The details are as follows:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits of last three years)	**44.84**	**34.15**
(ii) Amount spent during the year		
i) Construction/acquisitions of any asset	-	-
ii) For purposes other than (i) above		
a) Paid to Godavari Foundation	42.25	33.82
b) Activities for Ensuring Environmental Sustainability and Others	2.62	0.64
	44.87	**34.46**

(iii) Above includes a contribution of ₹ 42.25 Lakh (March 31, 2018: ₹ 33.82 lakh) to an entity (Godavari Foundation) over which KMP has significant influence and which is a Trust registered under section 12A of the Income Tax Act, 1961, with the main objectives of working in the areas of social, economic and environmental issues such as rural development programme, granting aid to Institutions, school, colleges etc for Orphan Children and for poor students/people for their education and social welfare and establishing and maintaining schools, tube well for general public and also engaged in women enpowerment by enhancing their means and capabilities to meet the emerging opportunities.

c) Operating Lease

The Company's significant lease agreements are in the nature of operating leases for premises used at various depots and showrooms. These lease agreements are cancellable by either parties thereto as per the terms and conditions of the agreements. In respect of these leases, lease rent of ₹ 387.03 Lakh (March 31, 2018: ₹ 445.82 Lakh) is debited to Statement of Profit and Loss. This amount includes amount on account of amortization of deffered security deposit in accordance with Ind AS 109 and also Lease equalization reserve (Net of reversal) charge for the year ended March 31, 2019.

NOTE 34 : EXCEPTIONAL ITEMS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
Exceptional Income			
Profit on Sale of Investment		-	2,243.10
Total Exceptional Income	(A)	-	**2,243.10**
Exceptional Expenses			
Interest and charges paid on Custom Duty		-	216.40
Total Exceptional Expenses	(B)	-	**216.40**
Exceptional Items (Net)	(A-B)	-	**2,026.70**

NOTE 35 : INCOME TAX

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

Statement of profit and loss:
Profit or loss section

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		As at March 31, 2019	As at March 31, 2018
Tax Expense:			
a) Current tax		302.55	1,005.60
b) Mat Credit Entitlement		(172.72)	(60.29)
b) Adjustments in respect of current income tax of previous year		13.42	(143.02)
c) Deferred tax		338.49	(73.36)
Income tax expense reported in the statement of profit or loss	(A)	**481.74**	**728.93**

Notes to Consolidated Financial Statements for the year ended March 31, 2019

OCI section

Deferred tax related to items recognised in OCI during the year:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		As at March 31, 2019	As at March 31, 2018
Tax on Gain on remeasurements of defined benefit plans		34.26	41.62
Net amount charged to OCI	(B)	**34.26**	**41.62**

Reconciliation of tax expense and the accounting Profit multiplied by India's Domestic tax rate for March 31, 2019 and March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		As at March 31, 2019	As at March 31, 2018
Accounting profit before income tax		**1,410.02**	**4,713.39**
At India's statutory income tax rate of 34.944% (March 31, 2018: 34.608%)		492.72	1,631.21
Adjustments in respect of current income tax of previous years		13.42	(143.02)
Tax Effect of Expenses not deductable for tax purposes		44.16	70.96
Effect of Exempt Income for Tax Purpose		-	(776.29)
Deferred Tax on Freehold Land		(24.55)	(24.12)
Investment in Associates		(13.52)	7.03
Others		3.77	4.78
At the effective income tax rate	(A+B)	**516.00**	**770.55**
Income tax expense reported in the Statement of Profit and Loss		**516.00**	**770.55**
Difference		-	-

NOTE 36 : EARNINGS PER SHARE (EPS)

Earning per share (EPS) is determined based on the net profit attributable to the shareholder before other comprehensive Income. Basic earning per share is computed using the weighted average number of equity shares outstanding during the year whereas Diluted Earning per share is computed using the weighted average number of common and dilutive equivalent shares including Employee Stock Options except for the case where the result become anti-dilutive.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to the equity holders		928.28	3,984.46
Weighted average number of equity shares for Basic EPS	(A)	1,42,47,809	1,42,12,441
Basic earnings per share (in ₹) (face value ₹ 10 per share)		**6.52**	**28.04**
Weighted average number of potential equity shares on account of employee stock options	(B)	1,22,499	17,500
Weighted average number of Equity shares (including dilutive shares) outstanding for Dilutive EPS	(A+B)	1,43,70,308	1,42,29,941
Diluted earnings per share (in ₹) (face value ₹ 10 per share)		**6.47**	**28.00**

a) For the year ended March 31, 2019, the dilution is considered on account of non vested ordinary shares under Employee Stock Option Scheme, 2018 in accordance with para 48 of Ind AS 33.

NOTE 37 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

a) **Defined Contribution Plans**

The Company makes contribution towards Employees Provident Fund and Employee's State Insurance scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognised the following amount in the Statement of profit and loss account under company's contribution to defined contribution plan.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident Fund and other fund	224.60	231.16
Employer's Contribution to Employee State Insurance	22.05	33.33
Total	**246.65**	**264.49**

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

b) Defined Benefit Plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation. This method is used in following areas :

i) Gratuity Scheme

The Company has defined benefit gratuity plan. Gratuity is calculated as 15 days salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination/ resignation. The benefit vests on completing 5 years of service by the employee. The Company makes provision of such gratuity asset/ Liability in the books of accounts on the basis of acturial valuation as per projected unit credit method; net with annual contribution made by Company to insurer to provide gratuity benefits by taking scheme of insurance.

ii) Compensated Absences

The Company operates compensated absences plan wherein all permanent employees of the company are entitled to the benefit equivalent to 21 days leave salary for every completed year of service subject to maximum 50 (March 31, 2018: 60) accumulations of leaves except in case of Dora Workers / SKD Workers where maximum accumulation is 60 / 30 days respectively. The salary for calculation of earned leave is last drawn salary. The same is payable during service, on retirement, withdrawal of scheme, resignation by employee and upon death / disability of employee.

Other than above, the Company has changed its policy for encashment of accumulated leaves beyond 60/50/30 days as applicable, i.e.the same will lapse after the end of financial year. Therefore the Company has not recognised any short term leave encashment expense for the year ended March 31, 2019. However the Company has recognised ₹ 39.75 Lakh for the year ended March 31, 2018 in respect of same.

c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences). These have been provided on accrual basis, based on year end actuarial valuation.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2019		As At March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Change in Benefit Obligation				
1. Opening Defined Benefit Obligation	965.36	307.84	1,002.89	309.25
2. Interest cost	70.47	22.47	78.23	24.12
3. Current service cost	119.69	59.07	99.63	81.45
4. Past Service cost	-	-	-	-
5. Benefits paid	(159.60)	(57.33)	(98.68)	(35.16)
6. Actuarial (gain) / loss on obligation	(84.47)	(44.80)	(116.71)	(71.82)
Present value of obligation as at the end of the year	**911.45**	**287.25**	**965.36**	**307.84**

d) The Following Tables summarise the Net Benefit Expense Recognised in the Statement of Profit or Loss :

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2019		As At March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Service cost	119.69	59.07	99.63	81.45
Net Interest cost	4.87	22.47	31.27	24.12
Remeasurments	-	(44.80)	-	(71.82)
Net cost	**124.56**	**36.74**	**130.90**	**33.75**

Notes to Consolidated Financial Statements for the year ended March 31, 2019

e) Changes in the Fair Value of the Plan Assets are as Follows:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2019		As At March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	898.68	-	602.03	-
Expected Return on Plan Assets	65.60	-	46.96	-
Employer's Contribution	-	-	250.48	-
Benefits paid	(4.77)	-	(4.33)	-
Actuarial gains / (losses) on the Plan Assets	13.58	-	3.54	-
Fair Value of Plan Assets at the End	**973.09**	-	**898.68**	-

f) Detail of Actuarial (Gain)/loss Recognised in OCI is as Follows:

Gratuity (Funded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
1) Amount recognised in OCI, (Gain) / Loss Beginning of period	64.02	184.27
2) **Remeasurement Due to:**		
Effect of Change in Financial Assumptions	34.03	(35.92)
Effect of Change in Demographic Assumption	(29.13)	-
Effect of Experience Adjustment	(89.37)	(80.79)
(Gain)/Loss on Curtailments/Settlements	-	-
Return on Plan Assets (Excluding Interest)	(13.58)	(3.54)
Changes in Asset Ceiling	-	-
Total amount recognised in OCI (Gain)/Loss, End of Period	**(34.03)**	**64.02**

g) Principal actuarial assumptions at the balance sheet date are as follows:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2019		As At March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Economic assumptions				
1 Discount rate	7.30%	7.30%	7.80%	7.80%
2 Rate of Increase in Compensation Levels	8.50%	8.50%	8.50%	8.50%
3 Expected Rate of Return on Assets	7.30%	N.A.	7.80%	N.A.
Demographic assumptions				
1 Retirement Age (years)	58/60	58/60	58/60	58/60
2 Mortality Table	Indian Assured Lives Mortality (2006-08) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate	
Employee Turnover / Attrition Rate				
1 Ages up to 30 Years	10.00%	10.00%	5.00%	5.00%
2 Ages from 30-45 years	10.00%	10.00%	5.00%	5.00%
3 Above 45 years	10.00%	10.00%	5.00%	5.00%

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

Notes to Consolidated Financial Statements for the year ended March 31, 2019

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2019		As At March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Present value of Defined Benefit Obligation	911.45	287.25	965.36	307.84
Fair value of plan assets	973.09	-	898.68	-
Net Defined Benefit (assets) / liability	**(61.65)**	**287.25**	**66.68**	**307.84**

i) A Quantitative Sensitivity Analysis for Significant Assumption is as Shown Below:

Gratuity (Funded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
A. Discount rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Discount Rate	(48.75)	(64.12)
Effect on Defined Benefit Obligation due to 100 basis points decrease in Discount Rate	52.62	70.85
B. Salary escalation rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Salary Escalation Rate	51.48	69.66
Effect on Defined Benefit Obligation due to 100 basis points decrease in Salary Escalation Rate	(48.66)	(64.29)

Leave Encashment (Unfunded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
A. Discount rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Discount Rate	(17.88)	(26.07)
Effect on Defined Benefit Obligation due to 100 basis points decrease in Discount Rate	20.21	30.51
B. Salary escalation rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Salary Escalation Rate	19.78	29.99
Effect on Defined Benefit Obligation due to 100 basis points decrease in Salary Escalation Rate	(17.84)	(26.13)

The Sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period.

Sensitivities due to morality and withdrawals are insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

j) Risk

Salary Increases	Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations which in turn also increase the liability.
Discount Rate	Reduction in discount rate in subsequent valuations can increase the liability.
Mortality and disability	Actual details and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

C. Maturity Profile of Defined Benefit Obligation is as Follows:

Gratuity (Funded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Within the next 12 months (next annual reporting period)	196.82	133.61
Between 2 and 5 years	528.16	470.44
Between 6 and 10 years	1,020.01	985.97

NOTE 38 : CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR) AND COMMITMENTS

(i) Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the consolidated financial statements, amounts to ₹ 41.54 Lakh (March 31, 2018: ₹ 1,584.71 Lakh). The Company does not have any other long term commitments or material non-cancellable Contractual Commitments, which may have a material impact on the consolidated financial statements.

(ii) Contingent Liabilities

a) The Company has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the Company has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).

The Company does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Company. Also, the Company does not expect any reimbursements in respect of the above contingent liabilities.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		As at March 31, 2019	As at March 31, 2018
i)	Claims against Company not acknowledged as debt	1,975.01	2,168.54
	- Interest on above	784.01	601.31
ii)	**Other money for which the Company is contingently liable**		
	Disputed liability under Income Tax	373.81	373.81
	Disputed liability under Sales Tax	294.86	96.04
	- Interest on Sales Tax dispute	13.73	1.51
	Disputed liability under Excise/Custom/Service Tax	102.69	161.52
b)	Bank Guarantee (Net of Margins)	131.03	93.63

c) The Company has not made the provision of bonus for the F.Y. 2014-15 on account of retrospective amendment made by The Payment of Bonus (Amendment) Act , 2015 keeping in view the disposal of writ petition vide order no. WP(C) NO. 3024/2016 (C) dated 27th January 2016 passed by the Hon'ble Kerala High Court.

d) The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda VidyaMandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952.

NOTE 39 : CAPITAL MANAGEMENT

The Company's objective for managing capital is to ensure:

- ability to continue as a going concern, so that the Company can continue to provide returns to shareholders and benefits for other stakeholders, and
- maintain optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

The Company monitors capital structure using Gearing Ratio, which is calculated as under:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings	10,097.91	7,685.12
Less: Cash and Bank Balance	(354.92)	(275.99)
Adjusted Net Debt (A)	**9,742.99**	**7,409.13**
Equity Share Capital	1,424.86	1,423.11
Other Equity	21,832.00	20,814.56
Total Capital (B)	**23,256.86**	**22,237.67**
Net Debt and Capital (C=A+B)	**32,999.85**	**29,646.80**
Gearing Ratio [D=A/(C)]	**0.30**	**0.25**

a) No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

b) For the purpose of capital management, capital includes issued equity capital and all other reserves attributable to the equity holders of the Company.

NOTE 40 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

The Company does not have any long term contracts including derivative contracts for which there are any material forseeable losses. The amount of foreign currency exposure that are not hedged by derivative instruments or otherwise are as under :

Particulars	As At March 31, 2019		As At March 31, 2018	
	Foreign Currency	Amount in INR (Lakh)	Foreign Currency	Amount in INR (Lakh)
Import of Raw Material and Stores				
Euro	0.07	5.63	4.10	330.72
US $	0.005	0.34	-	-

NOTE 41 : SEGMENT INFORMATION

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. In Orient Bell Limited, the decision makers view the operating results internal division wise (Ceramic, Vitrified Polished). Accordingly, such segments may be presented under Ind AS 108. However, these segments have been aggregated because the core principles, economic characteristics, nature of products, production process, distribution method, regulatory environment and type of customers in all the divisions are similar. Hence the disclosure requirement of Ind AS 108 of "Segment Reporting" is not considered applicable. Further the Company sells its products mostly within India with insignificant export income and does not have any operation in economic environment with different risk and returns, hence its considered operating in single geographical segment.

Major Customer: No single customers contributed 10% or more to the Company's revenue for both March 31, 2019 and March 31, 2018.

NOTE 42 : RELATED PARTY DISCLOSURE

a) List of related parties

Name of Related Party	Nature of Relationship
Proton Granito Private Limited	Associate Company
Corial Ceramic Private Limited	Associate Company
Mahendra K. Daga - HUF	Entity over which KMP exercise Control and/or Significant Influence
Goodteam Investment & Trading Co. Private Limited	Enterprise over which KMP exercise Control and/ or Significant Influence
Freesia Investment and Trading Co. Limited	
Alfa Mercantile Limited	

Notes to Consolidated Financial Statements for the year ended March 31, 2019

Name of Related Party	Nature of Relationship
Morning Glory Leasing & Finance Limited	Enterprise over which KMP exercise Control and/ or Significant Influence
Iris Designs Private Limited	
Freesia Farms Pvt Limited	
Elit Tile Solutions Pvt Limited	
Mithleash Infrastructure Pvt Limited	
Orchid Farmscapes Pvt Limited	
Godavari Foundation	
Mahendra K. Daga, Chairman and Whole Time Director	Key Managerial Personnel
Madhur Daga, Managing Director (MD)	
Kashinath Martu Pai, Director	
Yogesh Mendiratta, Company Secretary (CS)	
Aditya Gupta (CEO) (From March 2018)	
Himanshu Jindal (CFO) (From December 2018)	
Sarla Daga w/o Mahendra Kumar Daga	Relatives of Key Managerial Personnel
Roma MonishaSakraney Daga w/o Madhur Daga	Relatives of Key Managerial Personnel

b) **Transactions with related parties (Including bifurcation of material transaction)**

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Relationship	Nature of Transaction	For the Year ended March 31,2019	For the Year ended March 31, 2018
Mr. Mahendra K. Daga	Key Managerial Personnel	Interest Payments	78.66	78.66
		Managerial & KMP Remuneration	204.25	196.98
		Rent Paid	12.00	12.00
Mrs. Sarla Daga	Relative of Key Managerial Personnel	Interest Payments	38.47	38.47
		Rent Paid	0.24	0.24
M/s Mahendra K. Daga - HUF	Enterprises owned or significantly influenced by KMP or their relatives	Interest Payments	21.37	21.37
Freesia Investment and Trading Co. Ltd.	Enterprises owned or significantly influenced by KMP or their relatives	Rent Paid	67.80	64.58
Mr. Madhur Daga	Key Managerial Personnel	Managerial & KMP Remuneration (including Post Employment benefit & short term employee benefits)	117.97	121.76
Mr. K.M.Pai	Key Managerial Personnel		90.35	144.70
Mr. Aditya Gupta	Key Managerial Personnel		228.99	12.60
Mr. Himanshu Jindal	Key Managerial Personnel		31.23	-
Mr. Yogesh Mendiratta	Key Managerial Personnel		20.76	18.45
Mrs. Roma Monisha Sakraney Daga w/o Madhur Daga	Relatives of Key Managerial Personnel	Interest Payments	3.99	3.99
Proton Granito Private Limited	Associate Company	Purchase of Goods	8,253.85	9,638.04
		Sales of Goods	3.78	-
Corial Ceramic Private Limited	Associate Company	Purchase of Goods	2,214.12	-
		Advance Against Supplies	-	36.50
		Investments in shares	-	260.00
Godavari Foundation	Enterprises owned or significantly influenced by KMP or their relatives	Donation	42.25	33.82

Notes to Consolidated Financial Statements for the year ended March 31, 2019

c) Year end balances of related parties

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Nature of Balance	As At March 31, 2019	As At March 31, 2018
Mahendra K. Daga - HUF	Unsecured Loan Payable	225.00	225.00
Mahendra K. Daga	Unsecured Loan Payable	828.00	828.00
Sarla Daga	Unsecured Loan Payable	405.00	405.00
Roma Monisha Sakraney Daga w/o Madhur Daga	Unsecured Loan Payable	42.00	42.00
Freesia Investment and Trading Co. Ltd.	Security Deposit Given	10.00	10.00
Proton Granito Private Limited	Trade Payables (Net)	446.19	690.96
	Investment Outstanding	400.22	370.01
Corial Ceramic Private Limited	Trade Payables (Net)	475.05	-
	Investment Outstanding	268.47	260.00
	Advance Outstanding	-	36.50

d) **Other Transaction**
The Company has taken Unsecured loan from Bank against the collateral security on the immovable property of Mr. Mahendra K. Daga (Key Managerial Personnel).

e) **Terms and conditions of transactions with related parties**
All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and carried interest rate. The unsecured loan from bank are secured against the property of Key Managerial Personnel. No expenses has been recognized in the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.

f) The remuneration of Key Managerial Personnel does not include amount in respect of Gratuity and Leave Encashment payable as the same are not determinable as individual basis for the KMP. The aforesaid liabilities of Gratuity and Leave Encashment are provided for company as whole.

g) Disclosure in respect of Share Based Payments to related party- Refer Note No-43.

NOTE 43 : SHARE BASED PAYMENTS

Description of shares based payments arrangements

a) Movement during the year

(All amounts in ₹ lakhs, unless otherwise stated)

Scheme	Year	Outstanding at the beginning of the year	Granted during the year	Forfeited/ expired during the year	Exercised during the year	Exercisable at the end of the year	Outstanding at the end of the year
Orient Bell Employees Stock Options Scheme, 2018	2018	-	1,71,000	-	-	-	1,71,000
Orient Bell Employees Stock Options Scheme, 2013	2013	(17,500)	-	-	(17,500)	-	-

b) The members of the Company had approved 'Orient Bell Employee Stock Option Scheme 2018'. The plan envisaged grant of share options to eligible employees at market price as defined in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Each Employee Stock Option vested in an Employee under the Scheme entitles the holder thereof to apply for and be allotted one equity share of the Company of ₹10 each upon exercise thereof. The Exercise price is ₹10. The exercise period commences from the date of vesting in respect of options granted under the Scheme and ends upon the expiry of three years from the date of each vesting.

c) The maximum number of shares allocated for allotment under 2018 Share Schemes is 2,00,000 (two lakhs) equity shares of ₹10 each. The schemes are monitored and supervised by the Compensation Committee of the Board of Directors in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

The expense recognised for employee services is shown in the following table:

Particulars	As at March 31, 2019	As at March 31, 2018
Expenses arising from equity-settled share-based payment transactions (at fair value)	113.09	59.67
Expenses arising from cash-settled share-based payment transactions	-	-
Total expense arising from share-based payment transactions	**113.09**	**59.67**

d) The details of Employee Stock Option Scheme 2018 are as under:-

(All amounts in ₹

Scheme	Year	Date of Grant	Number of Options Granted	Vesting Date	Exercise period	Exercise price per share	Weighted Average Exercise price per share
Orient Bell Employees Stock Options Scheme, 2018	2018	17-04-2018	12,500	17-04-2019	3 years from date of vesting	10.00	10.00
		17-04-2018	12,500	17-04-2020		10.00	10.00
		17-04-2018	12,500	17-04-2021		10.00	10.00
		17-04-2018	12,500	17-04-2022		10.00	10.00
		29-06-2018	11,000	29-06-2019		10.00	10.00
		29-06-2018	19,000	29-06-2020		10.00	10.00
		29-06-2018	15,000	29-06-2021		10.00	10.00
		09-08-2018	11,000	09-08-2019		10.00	10.00
		09-08-2018	21,000	09-08-2020		10.00	10.00
		09-08-2018	21,000	09-08-2021		10.00	10.00
		13-11-2018	5,000	13-11-2020		10.00	10.00
		28-12-2018	4,000	28-12-2019		10.00	10.00
		28-12-2018	6,000	28-12-2020		10.00	10.00
		28-12-2018	8,000	28-12-2021		10.00	10.00

e) The Fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	ESOP Scheme 2018					ESOP Scheme 2013
	17-04-2018	29-06-2019	09-08-2018	13-11-2018	28-12-2018	
Weighted Average Risk-Free Interest Rate	7.20%	7.89%	7.77%	7.58%	7.20%	6.81%
Weighted Average Expected Life of Options	2.50 Years	2.50 Years	2.50 Years	3.50 Years	2.50 Years	1 Year
Weighted Average Expected Volatility	49.65%	49.65%	49.65%	51.06%	49.65%	4.11%
Weighted Average Expected Dividend Yield of the Options	-	-	-	-	-	0.82%
Weighted Average Share Price	293.15	249.95	253.15	180.50	181.20	160.13
Weighted Average Exercise Price	10.00	10.00	10.00	10.00	10.00	Nil
Method Used to Determine Expected Volatility	Expected volatility is based on the share price taken from NSE for the latest historical period as per time to maturity.					Expected volatility is based on the Company's share price for preceding 5 years of grant date

f) There are no exercised, expired, forfieted options during the year.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE 44 : FAIR VALUE DISCLOSURE

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments. Here the disclosure is made for non-current financial assets and non-current financial liabilities, carrying value of current financial assets and current financial liabilities including trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables, current borrowing, other current financial liabilities etc. which represent the best estimate of fair value.

The management assessed that fair value of these short term financial assets and liabilities significantly approximate their carrying amount largely due to short term maturities of these instruments.

a) Fair Value of Financial Assets: (All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Carrying Values		Fair Values	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial Assets Measured at Amortised Cost				
Investments	668.69	630.01	668.69	630.01
Trade Receivables	11,621.49	12,577.03	11,621.49	12,577.03
Security deposits	320.08	349.26	320.08	349.26
Deposits with original maturity of more than 12 months	3.65	3.98	3.65	3.98
Cash and Cash Equivalents	10.65	25.65	10.65	25.65
Bank balance other than Cash and cash equivalent	344.27	250.34	344.27	250.34
Interest Accrued on Securities Deposits	19.06	19.15	19.06	19.15
Interest Accrued on Fixed Deposits	3.10	1.10	3.10	1.10
	12,990.99	**13,856.52**	**12,990.99**	**13,856.52**

b) Fair Value of Financial Liabilities: (All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Carrying Values		Fair Values	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial Liabilities Measured at Amortised Cost				
Borrowings	10,097.91	7,685.12	10,097.91	7,685.12
Trade Payables	7,088.02	7,829.84	7,088.02	7,829.84
Trade Deposits	1,006.37	1,018.22	1,006.37	1,018.22
Earnest Money Received from Employees	29.95	34.22	29.95	34.22
Security From Employees	1.88	1.94	1.88	1.94
Interest Accrued but not due on Borrowings	14.50	22.36	14.50	22.36
Unpaid Dividends	11.99	14.05	11.99	14.05
	18,250.63	**16,605.76**	**18,250.63**	**16,605.76**

c) Discount Rate Used in Determining Fair Value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

a) Fair value for security deposits (other than perpetual security deposits) has been presented based on the discounting factor as at the reporting date. Fair value for all other non-current assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.

b) For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE 45 : FAIR VALUE HIERARCHY

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurement as a whole.

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

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

a) Quantitative Disclosures Fair Value Measurement Hierarchy For Assets as at March 31, 2019:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	Fair Value			
		Amortised Cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured at Amortised Cost					
Investments	668.69	668.69	-	-	-
Trade Receivables	11,621.49	11,621.49	-	-	-
Security deposits	320.08	320.08	-	-	-
Deposits with original maturity of more than 12 months	3.65	3.65	-	-	-
Cash and Cash Equivalents	10.65	10.65	-	-	-
Bank balance other than Cash and cash equivalent	344.27	344.27	-	-	-
Interest accrued on Security Deposits	19.06	19.06	-	-	-
Interest accrued on Fixed Deposits	3.10	3.10	-	-	-
	12,990.99	12,990.99	-	-	-

b) Quantitative Disclosures Fair Value Measurement Hierarchy For Financial Liabilities as at March 31, 2019:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	Fair Value			
		Amortised Cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities Measured at Amortised Cost					
Borrowings	10,097.91	10,097.91	-	-	-
Trade Payable	7,088.02	7,088.02	-	-	-
Trade Deposits	1,006.37	1,006.37	-	-	-
Earnest Money Received from Employees	29.95	29.95	-	-	-
Security From Employees	1.88	1.88	-	-	-
Interest Accrued but not due on Borrowings	14.50	14.50	-	-	-
Unpaid Dividends	11.99	11.99	-	-	-
	18,250.63	18,250.63	-	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2019

Notes to Financial Statements for the year ended March 31, 2019

c) Quantitative Disclosures Fair Value Measurement Hierarchy For Financial Assets as at March 31, 2018:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	Fair Value			
		Amortised Cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured at Amortised Cost					
Investments	630.01	630.01	-	-	-
Trade Receivables	12,577.03	12,577.03	-	-	-
Security deposits	349.26	349.26	-	-	-
Deposits with original maturity of more than 12 months	3.98	3.98	-	-	-
Cash and Cash Equivalents	25.65	25.65	-	-	-
Bank balance other than Cash and cash equivalent	250.34	250.34	-	-	-
Interest accrued on Security Deposits	19.15	19.15	-	-	-
Interest accrued on Fixed Deposits	1.10	1.10	-	-	-
	13,856.52	13,856.52	-	-	-

d) Quantitative Disclosures Fair Value Measurement Hierarchy For Financial Liabilities as at March 31, 2018:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	Fair Value			
		Amortised Cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities Measured at Amortised Cost					
Borrowings	7,685.12	7,685.12	-	-	-
Trade Payable	7,829.84	7,829.84	-	-	-
Trade Deposits	1,018.22	1,018.22	-	-	-
Earnest Money Received from Employees	34.22	34.22	-	-	-
Security From Employees	1.94	1.94	-	-	-
Interest Accrued but not due on Borrowings	22.36	22.36	-	-	-
Unpaid Dividends	14.05	14.05	-	-	-
	16,605.76	16,605.76	-	-	-

(i) **Valuation technique used to determine fair value:**

Security Deposit : Discounted Cash Flow Method using risk adjusted discount rate.

(ii) There have been no transfers between level 1 and level 2 category during the year ended on respective reporting date given above.

NOTE 46 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise trade and other payables, borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

The Company is exposed to market risk, credit risk and liquidity risk . The Company's senior level oversees the management of these risks.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

i) Interest rate risk

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

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to interest rate risk.

	Increase or decrease in basis points	Effect on profit before tax
31st March, 2019		
INR	+50	(36.96)
INR	-50	36.96
31st March, 2018		
INR	+50	(36.88)
INR	-50	36.88

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk sensitivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant.

Particulars	Year	Changes in Euro rate	Effect on profit before tax
Trade Payables	31 March, 2019	+5%	(0.30)
		-5%	0.30
Trade Payables	31 March, 2018	+5%	(16.54)
		-5%	16.54

Particulars	Year	Changes in Currency rate	Effect on profit before tax
Foreign Currency on Hand	31 March, 2019	+5%	0.12
		-5%	(0.12)
Foreign Currency on Hand	31 March, 2018	+5%	0.09
		-5%	(0.09)

B. Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Company. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.

The Company also uses expected credit loss model to assess the impairment loss in Trade receivables and makes an allowance of doubtful trade receivables using this model.

C. Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. It maintains adequate sources of financing including loans from banks at an optimised cost.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	4,301.76	212.39	1,079.06	3,025.14	1,500.00	10,118.35
Trade payables	-	7,088.02	-	-	-	7,088.02
Other financial liabilities	-	14.50	12.53	31.29	1,006.37	1,064.69
Total	**4,301.76**	**7,314.91**	**1,091.59**	**3,056.43**	**2,506.37**	**18,271.06**

As at March 31, 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	3,935.33	202.83	812.84	1,234.12	1,500.00	7,685.12
Trade payables	-	7,829.84	-	-	-	7,829.84
Other financial liabilities	-	22.36	20.35	29.87	1,018.22	1,090.79
Total	**3,935.33**	**8,055.03**	**833.19**	**1,263.99**	**2,518.22**	**16,605.75**

* In absolute terms i.e. undiscounted and including current maturity portion

NOTE 47 : DISCLOSURE OF MOVEMENT IN PROVISION DURING THE YEAR AS PER IND AS- 37

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Balance as at March 31, 2018	Provided During the year	Paid / Adjusted during the year	Balance as at March 31, 2019
Compensated Absenses	307.84	36.74	57.33	287.25
Gratuity	66.68	26.51	154.84	(61.65)
Lease Equalisation Reserve	9.48	2.18	-	11.66
Income Tax	36.92	319.19	276.87	79.24
	420.92	384.62	489.04	316.51

NOTE 48 : SUBSEQUENT EVENT

a) Dividend Paid and proposed:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Declare and Paid During the Year: Final Dividend for FY 2017-18: ₹ 0.5 per share (FY 2016-17: ₹ 0.5 per share) Including Dividend distribution tax of ₹ 14.65 lakhs FY 2017-18 (₹ 14.43 lakh for FY 2016-17)	85.89	85.39
	85.89	**85.39**
B. Proposed for Approval at the Annual General Meeting (not recognised as a liability) Final Dividend for FY 2018-19: ₹ 0.5 per share (FY 2017-18: ₹ 0.5 per share)	71.24	71.16
Dividend Distribution Tax	14.65	14.49
	85.89	**85.64**

b) No material events have occurred between the balance sheet date to the date of issue of these consolidated financial statements that could affect the values stated in consolidated the financial statements.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE 49A : INVESTMENT IN ASSOCIATES

a) The Company has investment in the following private limited companies that are not listed on any public stock exchange. The Company's interest in these associates companies is accounted for using the equity method in the consolidated financial statements.

(All amounts in ₹ lakhs, unless otherwise stated)

Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of Equity Interest	
	As at March 31, 2019	As at March 31, 2018
Proton Granito Private Limited, India, Manufacturing of Vitrified Tiles	19.50%	19.50%
Corial Ceramic Private Limited, India, Manufacturing of Ceramic Tiles	26.00%	26.00%

b) The following table summarises financial information of the associate companies and proportion of the Company's ownership interest:

i) Proton Granito Private Limited

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Assets	3,074.60	3,475.80
Non-current Assets	4,622.54	4,728.36
Current Liabilities	3,324.00	2,809.03
Non-current Liabilities	2,320.72	3,497.67
Equity	**2,052.43**	**1,897.46**
Proportion of the Company's ownership interest	19.50%	19.50%
Carrying amount of the Company's interest	400.22	370.01
Revenue	8,590.35	8,609.15
Profit/(Loss) After Tax For The Year	30.86	82.25
Other Comprehensive Income For The Year	-	-
Total Comprehensive Income For The Year	30.86	82.25
The associate has the following contingent liabilities and capital commitments:		
Contingent liabilities	**318.00**	**318.00**
Capital Commitments	-	-

ii) Corial Ceramic Private Limited

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Assets	1,645.54	136.14
Non-current Assets	2,215.41	2,112.78
Current Liabilities	1,572.48	245.92
Non-current Liabilities	1,255.90	1,003.00
Equity	**1,032.57**	**1,000.00**
Proportion of the Company's ownership interest	26.00%	26.00%
Carrying amount of the Company's interest	268.47	260.00
Revenue	3,160.82	-
Profit/(Loss) After Tax For The Year	32.58	-
Other Comprehensive Income For The Year	-	-
Total Comprehensive Income For The Year	32.58	-
The associate has the following contingent liabilities and capital commitments:		
Contingent liabilities	**358.56**	-
Capital Commitments	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2019

c) As disclosed in the accounting policies adopted by the Company for the purpose of consolidaton of financial statements, the Company and its associates have used uniform accounting policies for like transactions and other events in similar circumstances except for the accounting policy of inventory valuation method and depreciation policy adopted by the Company and the associate companies. Had the associate companies followed the same accounting policies of the Company, the share of profit of the Company in respect of two associates considered under consolidated financial statements would have been higher by ₹60.06 lakhs.

NOTE 49B : DISCLOSURE OF THE ADDITIONAL INFORMATION AS REQUIRED BY THE SCHEDULE III:

a) As at and for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Net Assets (i.e.Total Assets minus Total Liability)		Share in Profit & Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Asset	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Parent Company								
Orient Bell Limited	99.58%	23,160.17	95.83%	889.59	100.00%	63.79	96.10%	953.38
Indian Associates (Investment as per Equity Method)								
Proton Granito Private Limited	0.38%	88.22	3.26%	30.22	0.00%	-	3.05%	30.22
Corial Ceramic Private Limited	0.04%	8.47	0.91%	8.47	0.00%	-	0.85%	8.47
Total		23,256.86		928.28		63.79		992.07

a) As at and for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Net Assets (i.e.Total Assets minus Total Liability)		Share in Profit & Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Asset	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Parent Company								
Orient Bell Limited	99.74%	22,179.66	100.51%	4,004.79	100.00%	78.63	100.50%	4.083.42
Indian Associates (Investment as per Equity Method)								
Proton Granito Private Limited	0.26%	58.01	(0.51 %)	(20.33)	0.00%	-	(0.50%)	(20.33)
Corial Ceramic Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total		22,237.67		3,984.46		78.63		4,063.09

Notes to Consolidated Financial Statements for the year ended March 31, 2019

NOTE 50 :

In view of the management, the current assets have a value on realization in the ordinary course of business at least requal to the amount at which they are stated in the balance sheet as at March 31, 2019.

Note 51 :

The consolidated financial statements of the Company for the year ended 31st March, 2019 approved by the Board of Directors and authorised for issue on May 22, 2019.

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for & on behalf of Board of Directors of Orient Bell Limited

Madhur Daga *Managing Director* DIN 00062149	Sameer Kamboj *Director* DIN 01033071

Place of Signature : New Delhi
Date : May 22, 2019

Aditya Gupta *Chief Executive Officer*	Himanshu Jindal *Chief Financial Officer*	Yogesh Mendiratta *Company Secretary* M. No 13615

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 42nd Annual General Meeting of the members of Orient Bell Limited will be held on Wednesday, the 24th day of July, 2019 at 11:30 a.m. at the Registered Office of the Company at 8, Industrial Area, Sikandrabad–203 205, Distt. Bulandshahr (U.P.) to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2019, the Profit & Loss Account and Cash Flow Statement for the financial year ended on that date and the reports of Directors' and Statutory Auditors' thereon.
2. To appoint a director in place of Mr. Madhur Daga (DIN: 00062149), who retires by rotation and being eligible has offered himself for re-appointment.
3. To declare dividend on equity shares.

SPECIAL BUSINESS:

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

   "RESOLVED that pursuant to the provisions of section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("Act") and Companies (Appointment and Qualification of Directors) Rules, 2014 ("Rules") (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. P.M. Mathai (DIN: 05249199), Independent Director of the Company, whose first term of appointment shall expire on 29.09.2019, and who has submitted necessary declarations and consent under relevant provisions of the Act and Rules with regard to his re-appointment and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for the further period of 5 (five) years with effect from 30.09.2019 to 29.09.2024.

By order of the Board
For Orient Bell Limited

Place : New Delhi
Dated : 22nd May, 2019

Yogesh Mendiratta
Company Secretary & Head- Legal

NOTES:

i. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF /HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE APPOINTMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE CORPORATE OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING, IN THE FORM ENCLOSED HERETO, DULY FILLED AND AUTHENTICATED. IT IS ADVISABLE THAT THE PROXY HOLDER'S SIGNATURE MAY ALSO BE FURNISHED IN THE PROXY FORM, FOR IDENTIFICATION PURPOSES.

   A person can act as proxy on behalf of the members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the company, carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint single person as proxy and such person shall not act as proxy for any other person or shareholder.

ii. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

iii. In case of joint holders attending the meeting, only the first holder will be entitled to vote.

iv. The explanatory statement pursuant to section 102(1) of the Companies Act, 2013 in respect of special business is annexed hereto and forms part of this Notice.

v. The register of members and share transfer books will remain closed from 18th July, 2019 to 24th July, 2019 (both days inclusive) for the purpose of determining the names of members eligible for dividend on equity shares, if declared by the members at the Meeting.

vi. The dividend, if declared, will be paid to the members holding shares in physical form whose name appear on the register of members of the Company as on 17th July, 2019. In respect of shares held in electronic form, the dividend will be paid to members whose names appear as beneficial owners as at the end of business hours on 17th July, 2019as per the list to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited ("Depositories").

vii. Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/2018/73 dated 20th April, 2018 has directed all Companies to obtain the Bank Account details of their members and update security holder's data so that the dividend may be paid via electronic bank transfer. Accordingly, members holding shares in physical form who have not yet provided their Bank details are requested to provide their PAN, Bank Account Number, name and address of the Bank & IFSC Code. In respect of members who are holding shares in electronic form, their bank particulars registered against their respective depository accounts, will be used by the Company for payment of dividend. Any change in bank particulars, will therefore be intimated to Depository Participants.

viii. The shares of the Company are traded in DEMAT segment only. Members who still hold the shares of Company in physical form are advised to contact their Depository Participant for dematerialization of their holdings in their own interest. The ISIN No. allotted to Company is INE607D01018. Further, SEBI had vide its Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 and further notifications in this regard, stated that with effect from 01st April, 2019, transfer of shares of a listed Company shall take place in dematerialized form only.

ix. The Annual Report 2018-19 of the Company circulated to the Members of the Company, will be made available on the Company's website at www.orientbell.com and also on the website of the respective Stock Exchanges at www.bseindia.com and www.nseindia.com.

x. Members holding equity shares in physical form are requested to notify any change in address, bank mandate or e-mail ID to the Company's Registrar i.e. MCS Share Transfer Agent Ltd. At F-65, Okhla Industrial Area, Phase-I, New Delhi 110020 or at Company's Corporate Office at IRIS House, 16, Business Centre, Nangal Raya, New Delhi-110 046. Members holding equity shares in electronic form are requested to notify any change in address, bank mandate or e-mail ID to their Depository Participants (DPs).

xi. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days except Sundays and Holidays during business hours up to the date of Annual General Meeting.

xii. Pursuant to section 124(5) of the Companies Act, 2013, the Company has transferred the unclaimed / unpaid dividend for the Financial Years up to 2010-11, to the Investor Education and Protection Fund of the Central Government ("the Fund") as per the relevant provisions of the Companies Act, 2013. The unpaid dividend for the Financial Year 2011-12 will be transferred to the Fund on or before 04th November, 2019.

Pursuant to section 124(6) of the Companies Act, 2013 and Rules made thereunder, all such shares in respect of which dividend has not been paid or claimed for seven consecutive years, are liable to be transferred to the said Fund. Members who have not yet encashed the dividend warrants for any of the Financial Years from 2011-12 to 2017-18 are therefore once again requested to make their claims immediately with the Company or the Company's Registrar & Share Transfer Agents for issuance of duplicate / revalidated dividend warrants. The list of unclaimed dividend for the Financial Years 2011-12 to 2017-18 and the list of members whose shares are liable to be transferred to the said Fund are available on the Company's website www.orientbell.com.

xiii. Members are entitled to make nomination in respect of shares held by them in physical form as per the provisions of section 72 of the Companies Act, 2013. Members desirous of making nomination are requested to send Form SH.13 either to the Company or its Registrar and Share Transfer Agent. Members holding shares in DEMAT form may contact their respective Depository Participant for recording nomination in respect of their shares.

xiv. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. However, the members having their shareholding in the Demat form are requested to provide their PAN details to their respective DPs and those who have in physical mode are requested to provide their PAN details to the company or its registrar.

xv. As per Companies Act, 2013 and rules made thereunder, the Annual Report for the FY 2018-19 has been sent electronically to those members whose e-mail IDs are registered with the Company/ Depositories Participant(s) for communication purpose unless any such member has requested for a hard copy of the same. For members who have not registered their email address with Company/ Depository Participant(s), physical copies of the Annual Report for FY 2018-19 is being sent through permitted mode and the same is also placed on the website of the company viz. www.orientbell.com.

xvi. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company / MCS Share Transfer Agent Limited (R&TA), for consolidation into a single folio.

xvii. In compliance with the provisions of section 108 of the Act and Rules framed there under, the members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by NSDL, on all resolutions set forth in this Notice.

xviii. "Electronic voting system" means a secured system based process of display of electronic ballots, recording of votes of the Members and the number of votes polled in favour or against, in such a manner that the entire voting exercised by way of electronic means gets registered and counted in an electronic registry in a centralized server with adequate cyber security.

"Remote e-voting" means the facility of casting votes by a Member using an electronic voting system from a place other than venue of a general meeting.

The facility for voting, through ballot/polling paper shall be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

The instructions for remote e-voting are as under:

A. <u>How to vote electronically using NSDL e-Voting system?</u>

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is-
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
   a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c. How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, your 'initial password' shall be communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After clicking on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of Orient Bell Limited i.e. 110724.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to agc.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):

a) EVEN (e-Voting Event Number), user ID and password are provided in the enclosed Remote e-voting instruction sheet.

b) Follow the steps mentioned hereinbefore in order to cast your vote.

C. Other Instructions:

a) The "cut-off date" for determining the eligibility for voting either through electronic voting system or ballot is fixed as 17th July, 2019. The e-voting period commences on 21st July, 2019 at 9:00 a.m. and ends on 23rd July, 2019 at 5:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period members of the Company, holding shares either in physical form or in demat form, as on the cut-off date, i.e., 17th July, 2019, shall be entitled to avail the facility of remote e-voting.

b) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date i.e. 17th July, 2019.

c) Members who have already exercised their voting through Remote e-voting can attend the Annual General Meeting but cannot vote again.

d) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 17th July, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or admin@mcsregistrars.com.

e) Ms. Ashu Gupta, Company Secretary in whole time practice (Membership No. FCS 4123; COP No. 6646), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

f) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, 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 make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

g) As per Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the results of the e-voting are to be submitted to the Stock Exchange(s) within 48 hours of the conclusion of the AGM. The results declared along with Scrutinizer's Report shall be placed on the Company's website https://www.orientbell.com and the website of NSDL.

h) The results on resolutions so declared at or after the Annual General Meeting of the Company will be deemed to have been passed on the Annual General Meeting date subject to receipt of the requisite number of votes cast in favour of the Resolutions.

xix. Members are requested to send their queries, if any, to the Company Secretary at Corporate Office at least 10 days before the date of the Annual General Meeting.

xx. Members are requested to bring their copy of the Annual Report to the Annual General Meeting. Members/Proxies/ Representatives are requested to bring the attendance slip enclosed to the Annual Report for attending the meeting.

xxi. The route map of the venue of the meeting is given in the notice. The prominent landmark for the venue is near to over bridge in Sikandrabad industrial area and 1 K.M. from Sikandrabad toll collection centre on NH-91.

xxii. E-mail Registration:

Members who have not registered their e-mail ID are requested to update the same with the Company, if held in physical form or to the Depository, if held in demat mode.

xxiii. As usual, no gifts will be distributed at the meeting.

By order of the Board
For Orient Bell Limited

Place : New Delhi
Dated : 22nd May, 2019

Yogesh Mendiratta
Company Secretary & Head- Legal

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

Section 149 of the Companies Act, 2013 provides that subject to the provisions of Section 152, an independent director shall hold office for an initial term of up to five consecutive years on the Board of a Company but shall be eligible for another term of up to five years on passing of a special resolution by the Company. It further provides that no independent director shall hold office for more than two consecutive terms of up to five years each. The members had in the Annual General Meeting held on 30.09.2014, pursuant to the provisions of Sections 149, 152 read with Schedule IV of the Companies Act, 2013 and Rules made there under, approved the appointment of Mr. P.M. Mathai as Independent Director of the Company for an initial term of five years from 30.09.2014 to 29.09.2019. Mr. Mathai has submitted the necessary declarations and consents with regard to his re-appointment for another consecutive term of five years from 30.09.2019 to 29.09.2024. In the opinion of the Board, Mr. P.M. Mathai fulfills the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and he is independent of the management.

The Nomination and Remuneration Committee and the Board of Directors have, in their respective meetings held on 22nd May, 2019 recommended the re-appointment of Mr. P.M. Mathai for another consecutive term of five years effective from 30.09.2019 to 29.09.2024 as Independent Director not liable to retire by rotation. A candidature under section 160 of the Companies Act, 2013 has been received from a member of the Company proposing Mr. P.M. Mathai for the office of Independent Director of the Company. Copy of the letter of appointment of Mr. P.M. Mathai as an Independent Director setting out the terms and conditions is available for inspection of the Members in physical or in electronic form at the Registered Office of the Company between 11.00 a.m. to 01.00 p.m., on all working days (except Saturdays, Sundays and Public Holidays), up to the date of the Annual General Meeting (AGM) and copies thereof shall also be made available for inspection in physical or electronic form at the Corporate Office of the Company situated at IRIS House, 16, Business Centre, Nangal Raya, New Delhi – 110046 as well as during the AGM at the venue thereof.

The Board of Directors deliberated and decided that owing to the rich and varied experience of Mr. P.M. Mathai in Sales, Capital Investment Management, Engineering, HR, Profit Centre Management, his association would be of immense benefit to the Company and it is desirable to avail services of Mr. P.M. Mathai as an Independent Director. The total remuneration of Mr. P.M. Mathai for the Financial Year 2018-19 was Rs.5,40,000/- paid by way of sitting fee only. Mr. P.M. Mathai does not hold directorship in any other Company as per the latest declaration given by him. Mr. P.M. Mathai does not hold any shares either by himself or for any other person on a beneficial basis as per declaration given by him.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the re-appointment of Mr. P.M. Mathai as an Independent Director for the said period is now being placed before the Members for their approval. Mr. P.M. Mathai has no relationship with any managerial personnel, Director, Key Managerial Personnel of the Company. None of the Directors or Key Managerial Personnel of the Company or their relatives is/are concerned or interested, financially or otherwise, in this resolution except Mr. P.M. Mathai.

The Board recommends the passing of the Resolution at Item No. 4 as a Special Resolution.

By order of the Board
For Orient Bell Limited

Place : New Delhi
Dated : 22nd May, 2019

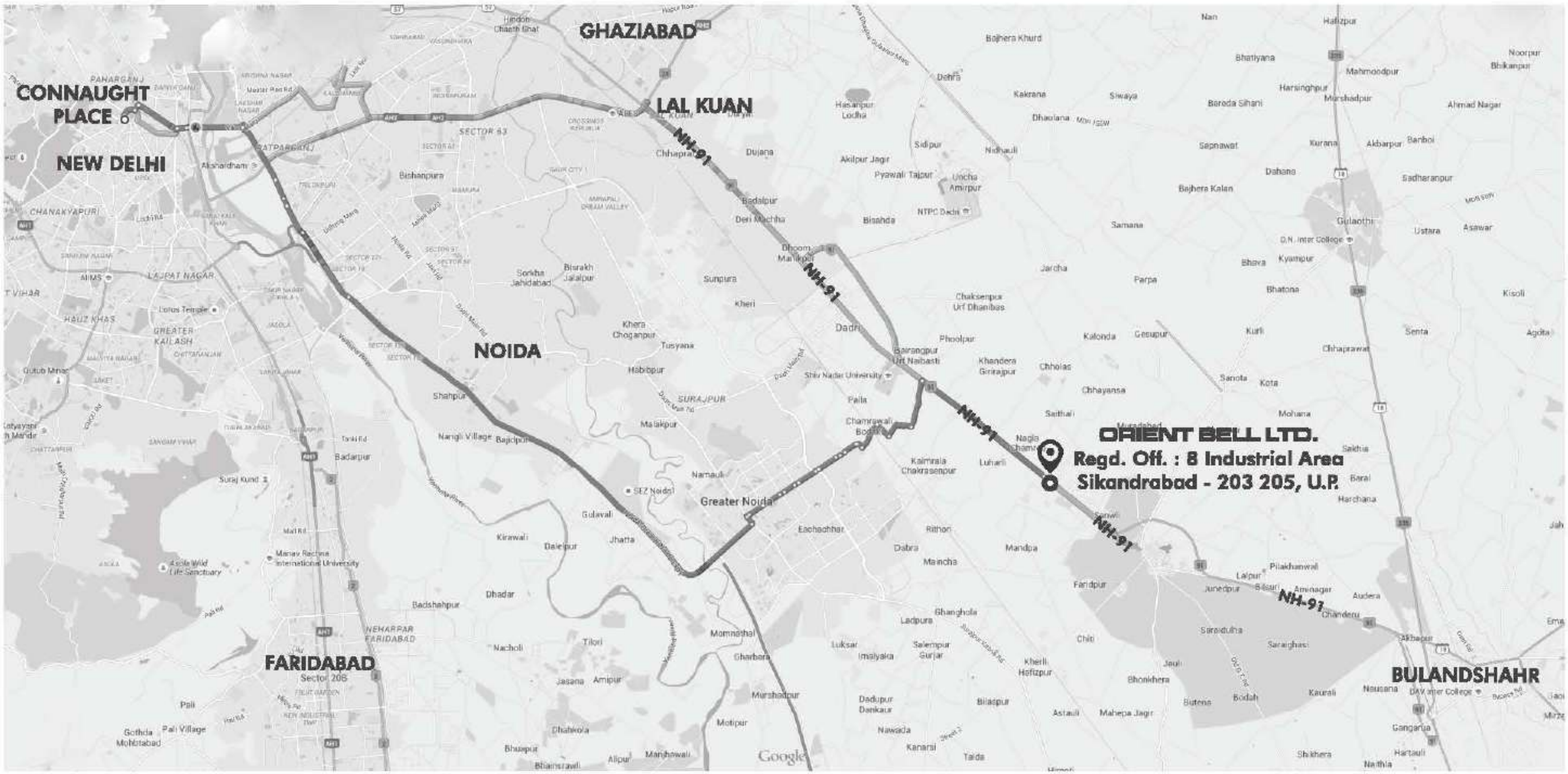
Yogesh Mendiratta
Company Secretary & Head- Legal

INFORMATION REQUIRED TO BE FURNISHED UNDER THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

As required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Director seeking appointment / re-appointment in the forthcoming Annual General Meeting is as follows:

Name of Director	Mr. P.M. Mathai
DIN	05249199
Date of Birth	23.07.1950
Date of Appointment	23.04.2012
No. of Shares held (as on 31.03.2019)	Nil
Expertise in Specific Functional area	Sales, Capital Investment Management, Engineering, HR, Profit Centre Management
Qualification	B.Tech. Chemical Engineering
No. of board meetings attended during FY 2018-19.	7
Other Listed Companies in which Directorship held as on 31.03.2019	Nil
Chairman / Member of the Committee(s) of the Board of Directors of other listed Companies in which he is a Director	Nil
Relationships between Directors inter-se	Nil

Route Map to the venue of the AGM



ORIENT BELL LIMITED

Registered Office: 8, Industrial Area, Sikandrabad-203 205, Distt. Bulandshahr (U.P.)
Corporate Office: Iris House, 16 Business Centre, Nangal Raya, New Delhi-110 046
CIN: L14101UP1977PLC021546 Tel.: 011-47119100
Email: customercare@orientbell.com Website: www.orientbell.com

ATTENDANCE SLIP

(To be presented at the entrance)

42ND ANNUAL GENERAL MEETING ON WEDNESDAY, JULY 24, 2019 AT 11.30 A.M.

at 8, Industrial Area, Sikandrabad – 203 205, Distt. Bulandshahr (U.P.)

Folio No. / Client ID. ....DP ID ....No. of shares...........................

Name of the Member...Signature...

Name of the Proxyholder...Signature...

1. Only Member/Proxyholder can attend the meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the meeting.
3. No gifts will be distributed at the meeting.

ORIENT BELL LIMITED

Registered Office: 8, Industrial Area, Sikandrabad-203 205, Distt. Bulandshahr (U.P.)
Corporate Office: Iris House, 16 Business Centre, Nangal Raya, New Delhi-110 046
CIN: L14101UP1977PLC021546 Tel.: 011-47119100
Email: customercare@orientbell.com Website: www.orientbell.com

FORM NO. : MGT-11

PROXY FORM

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

Name of the Member(s): ....

Registered address: ....

E-mail Id: ....

Folio No. / Client ID: ....DP ID : ....

I / We, being the member(s) of ………................…. Shares of Orient Bell Limited, hereby appoint:

1. Name..E-mail Id:...
   Address: ....
   ....Signature:..

or failing him

2. Name..E-mail Id:...
   Address: ....
   ....Signature:..

or failing him

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42nd Annual General Meeting of the Company to be held on Wednesday, July 24, 2019 at 11.30 a.m. at its Registered Office at 8, Industrial Area, Sikandrabad – 203 205, Distt. Bulandshahr (U.P.) and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Annual Financial Statements for the financial year ended 31st March, 2019 and the reports of Board of Directors and Statutory Auditors thereon.
2. Appointment of a director in place of Mr. Madhur Daga (DIN: 00062149), retiring by rotation and being eligible offers himself for re-appointment.
3. Declaration of dividend.
4. Re-appointment of Mr. P.M. Mathai(DIN: 05249199),Independent Director of the Company not liable to retire by rotation for the further period of 5 (five years) with effect from 30.09.2019 to 29.09.2024.

Affix Revenue Stamp

Signed on this ……… day of ………………. 2019

Signature of Member... Signature of Proxy holder(s)..............................

NOTES: 1. This form in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. Those members who have multiple folios with different joint holders may use copies of this Attendance slip/Proxy form.

Creating Solutions for Schools

Tile Mural-Periodic Table

Tile Mural-Suryanamaskar

There are 1.6+ million schools in India. The top 100 thousand schools benefit from the innovation trending in the education space.

However, for the 1 million schools at the bottom of the pyramid, the quality of basic education remains a challenge. Lack of textbooks, parent & student apathy compound the problem.

To make an impact on learning outcomes we designed tiles having educational content that is relevant for all classes. These tiles, applied as a mural on a classroom wall, create a positive learning environment as well as keep the walls looking clean with minimal maintenance requirements.

As a part of our CSR initiative, this unique range of educational tiles has revamped quite a few schools in Delhi, UP and Rajasthan. The impact makes the effort worthwhile.

Impact on Learning Outcomes

36%
increase in enrolments in just 2 years

31%
reduction in absenteeism, reduced from 53% to 12% in 2 years

Increased performance in exams

- ✔ Creates an interactive learning experience
- ✔ Enables quick revision of topics
- ✔ Active visual learning while on the move.
- ✔ Increased retention of complex concepts
- ✔ Reduces violence & bullying in school premises.
- ✔ Scribble proof

* Data collected from schools revamped by Orientbell as part of their CSR initiative.

orientbell
tiles

CORPORATE OFFICE:

Iris House, 16 Business Centre,
Nangal Raya, New Delhi – 110046, India
Tel: +91-11-47119100
CIN: L14101UP1977PLC021546

REGISTERED OFFICE:

8 Industrial Area, Sikandrabad – 203 205 (UP), India
Tel: +91-5735-222-203 / 424, +91-8191004575 / 76

CUSTOMER CARE:

customercare@orientbell.com
Missed Call : 87507 33333
Whatsapp : 87507 11111

Please join us on social media

www.orientbell.com