

August 11, 2016

To,  
The BSE Ltd.,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001.

Dear Sir/ Madam,

**Sub: Annual Report for F.Y. 2015-16 - Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to the requirement under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to enclosed/ submit herewith Annual report for F.Y. 2015-16 of the Company as approved and adopted in the 56<sup>th</sup> Annual General Meeting of the Company held on August 4, 2016.

You are requested to take the same on your record and display the same on your website.

Thanking you,

Yours faithfully,  
For Dai-ichi Karkaria Limited



Kavita Thadeshwar  
Company Secretary

Encl: as above



DAI-KI

**Specialty Chemicals**

**56th ANNUAL REPORT**

**2015-2016**

# DAI-ICHI KARKARIA LIMITED

(CIN: L24100MH1960PLC011681)

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## **Annual General Meeting**

### **Date & Time:**

Thursday, August 4, 2016 at 11.30 a.m.

### **Venue:**

M. C. Ghia Hall,  
Bhogilal Hargovindas Building,  
4th Floor, 18/20 Kaikhushru Marg,  
Mumbai 400 001

### **Book Closure Date:**

July 28, 2016 to August 4, 2016

## **BOARD OF DIRECTORS:**

Mrs. S.F. Vakil Chairperson & Managing Director

Mr. A. H. Jehangir

Dr. A.M. Naik

Mr. K. D. Patel

Mr. K. M. Elavia

### **Chief Financial Officer:**

Mr. Nitin Nimkar

### **Chief Operating Officer:**

Ms. Meher Vakil

### **Company Secretary:**

Mrs. Kavita Thadeshwar

### **Bankers:**

Bank of India

HDFC Bank Ltd.

Kotak Mahindra Bank

### **Statutory Auditors:**

Deloitte Haskins & Sells LLP,

Chartered Accountants, Mumbai

### **Solicitors:**

Bharucha & Partners

### **Registered Office:**

Liberty Building,

Sir Vithaldas Thackersey Marg,

Mumbai - 400 020.

Tel: 2201 7130/2201 5895

email: investor@dai-ichiindia.com

website: www.dai-ichiindia.com

### **Works:**

1. 105th Milestone, Mumbai-Pune Road,  
P. O. Kasarwadi, Pune- 411034.

2. Kurkumbh Industrial Area, Plot No. D-13,  
Village Kurkumbh, Tal. Daund, Dist. Pune.

### **Registrars and Transfer Agents:**

Sharex Dynamic (India) Private Ltd.

Unit 1, Luthra Industrial Premises,

Andheri-Kurla Road, Safed Pool,

Andheri (E), Mumbai -400 072

Tel: 2851 5606/2851 5644

email: sharexindia@vsnl.com

website: www.sharexindia.com



## NOTICE

**NOTICE** is hereby given that Fifty-Sixth Annual General Meeting of the Members of **DAI-ICHI KARKARIA LIMITED** (L24100MH1960PLC011681) will be held on Thursday, August 4, 2016 at 11:30 a.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20 Kaikhushru Dubash Marg, Mumbai – 400 001 to transact the following business:

### Ordinary Business

1. To receive, consider and adopt:
  - a) the Audited Financial Statements of the Company for the Financial Year ended March 31, 2016 and the Reports of Board of Directors and Auditors thereon; and
  - b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2016 and the Report of the Auditors thereon.
2. To confirm the payment of Interim Dividend of ₹ 3/- each per equity share of ₹ 10/- declared during the financial year ended March 31, 2016.
3. To appoint a Director in place of Mr. A. H. Jehangir (DIN: 00001752), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To ratify the appointment of Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants, Firm's Registration No. 117366W / W-100018 as Auditors of the Company to hold office from the conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting at such remuneration as shall be fixed by the Board of Directors and the Auditors.

### Special Business

5. Ratification of the remuneration payable to Mr. Sudhir Govind Jog, Cost Accountant, (Membership no. 5599) appointed as Cost Auditor of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), remuneration of ₹ 1,20,000/- plus applicable taxes and reimbursement of actual out of pocket expenses payable to Mr. Sudhir Govind Jog, Cost Accountant, (Membership no. 5599), appointed by the Board of Directors, to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2016, be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. Re-appointment of Mrs. S. F. Vakil as Chairperson and Managing Director of the Company and in this regard 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 Sections 196, 197, 198, and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to such permissions, consents and approvals from various authorities as may be required and subject to such conditions, if any, that may be imposed by any authority while granting their permissions, consents and approvals, the approval of shareholders of the Company be and is hereby accorded for re-appointment of Mrs. S. F. Vakil (DIN: 00002519) as Chairperson & Managing Director of the Company for a period from April 1, 2016 to March 31, 2019, on the terms and conditions set out below in the explanatory statement annexed hereto which shall be deemed to form part hereof.

**RESOLVED FURTHER THAT** the Board of Directors and/or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things they may consider necessary, expedient or desirable in order to give effect to this resolution or otherwise considered by them in the best interest of the Company.”

### Registered Office:

Liberty Building,  
Sir Vithaldas Thackersey Marg,  
Mumbai – 400 020.

Place : Mumbai  
Date : May 14, 2016

By Order of the Board  
For Dai - ichi Karkaria Ltd.

**Kavita Thadeshwar**  
Company Secretary

**NOTES:**

- 1) **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote on a poll instead of himself and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy of any other person or member. The instrument of proxy in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.**
- 2) 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.
- 3) An Explanatory statement pursuant to section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed.
- 4) The Register of Members and Share Transfer Books of the Company will remain closed from July 28, 2016 to August 4, 2016 (both days inclusive) in connection with the Annual General Meeting.
- 5) Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified) dividend for the financial year ended 31st March 2009 and thereafter which remains unclaimed for a period of seven years will be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government. The Shareholders who have not claimed or encashed their dividend warrants for the financial year 2009 and subsequent years are therefore requested to approach the Company in writing with their details to facilitate payment.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts. The Company has uploaded the information on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and on the website of the Company viz. [www.dai-ichiindia.com](http://www.dai-ichiindia.com).

- 6) Members whose shareholding is in physical mode are requested to immediately notify any change in their addresses to M/s. Sharex Dynamic (India) Pvt. Ltd. at Unit – 1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072 and members whose shareholding is in electronic mode are requested to direct change of their address notification to their respective Depository Participants.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to the Depository Participants with whom they maintained their demat accounts. Members holding shares in physical form should submit their PAN to M/s. Sharex Dynamic (India) Pvt. Ltd.

- 7) The Shareholders desiring any information as regards Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
- 8) Members/proxies are requested to bring duly filled Attendance slips and their copies of annual report along with them as copies of the Report will not be distributed at the meeting.
- 9) In support of “Green Initiative in Corporate Governance” announced by the Government of India and Regulation 58 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, Copy of Annual Report alongwith Notice, indicating the process and manner of remote e – voting are being sent by email to those Members whose email addresses have being available to the Depository Participants unless the Member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report alongwith Notice will be sent in the permitted mode.

The Company hereby requests the Members holding shares in electronic mode to update their email address with their Depository Participant(s). Members holding shares in physical mode are requested to update their email address by writing to the Registrar of the Company.

- 10) All documents referred to in the Notice & Explanatory Statement are open for inspection to the members at the Registered Office of the Company between 11 a.m. to 1 p.m. on all working days, except Saturday till the date of this Annual General Meeting.



11) In terms of Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) regarding information of Directors seeking re-appointment at the Annual General Meeting forms part of this Notice.

12) **Voting through Electronic means:** In compliance with the provisions of Section 108 of the Companies Act, 2013, (the Act), Rule 20 of the Companies (Management & Administration) Rules, 2014, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide members facility to exercise their voting rights at the 56th Annual General Meeting (AGM) by electronic means and the business may be transacted through 'remote e-voting' services provided by Central Depository Services (India) Ltd. (CDSL).

**(A) The instructions for shareholders voting electronically are as under:**

- (i) The remote e-voting period begins on August 1, 2016 at 10 a.m. and ends on August 3, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date July 27, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of O's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA000000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company Name i.e. **DAI-ICHI KARKARIA LIMITED** on which you choose to vote.

- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the vote cast by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL'S mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxii) Those persons, who have acquired shares and have become Members of the Company after the despatch of Notice of the AGM by the Company and whose names appear in the Register of Members or Register of beneficial holders as on cut-off date i.e. July 27, 2016 can view the Notice of the 56th AGM on the Company's website or on the website of CDSL. Such Members shall exercise their voting rights through remote e-voting by following the procedures as mentioned above or by voting at the AGM.
- (xxiii) M/s Ragini Chokshi & Co., Practicing Company Secretary, has been appointed as a Scrutinizer to scrutinize the remote e-voting process and voting process at the AGM in a fair and transparent manner. E-Voting is optional to the shareholders, the shareholders can alternatively vote in the AGM by physically attending the AGM.
- The facility for voting, through ballot paper shall also be made available at the venue of the AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.
- A Member can opt for only one mode of voting i.e. either through e-voting or in physical form. If a Member casts his / her vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.
- (xxiv) The Voting Results along with the Consolidated Scrutinizer's report shall be placed on the Company's website [www.dai-ichiindia.com](http://www.dai-ichiindia.com) and on the website of CDSL not later than three days of conclusion of the AGM of the Company and communicated to the BSE Ltd.





## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 REGARDING SPECIAL BUSINESS

#### Item no. 5

The Board, on recommendation of the Audit Committee, had approved the appointment of Mr. Sudhir Govind Jog, Cost Accountant (Membership No. 5599) to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2016, on a remuneration of ₹ 1,20,000/- plus applicable taxes and reimbursement of actual out of pocket expenses.

In accordance with the provisions of Sections 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration is required to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary resolution as set out at Item no. 5 for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2016.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

#### Item No. 6

Subject to the approval of the shareholders and such other approvals as may be required, the Board of Directors at its meeting held on May 14, 2016 have re-appointed Mrs. S. F. Vakil as Chairperson and Managing Director of the Company for a period from April 1, 2016 to March 31, 2019 on the terms and conditions recommended by the Nomination and Remuneration Committee of the Board at its meeting held on May 14, 2016.

As required under Section II of Part II of the Schedule V to the Companies Act, 2013, the relevant details to be sent alongwith the notice convening the general meeting are as under:

#### I) General Information:

1. Nature of Industry: Specialty Chemical Industry
2. Date of commencement of commercial production: In the year 1963
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
4. Financial performance based on given indicators:

Particulars for Financial year ended 31st March 2016	₹ In lacs
Gross Sales and other income	13,397
Operating Profit (before exceptional items, Interest, Depreciation and Tax)	2,370
Profit before Tax	2,115

5. **Foreign Investment or Collaborators, if any:** In the oil field sector, the Company has tied up with a major U.S. based Company, CTI Technologies, INC (now a part of Nalco Champion Group) and has formed a Joint Venture Company, Nalco Champion Dai-ichi India Pvt. Ltd. (formerly known as Champion Dai-ichi Technologies India Ltd.).

#### II) Information about the appointee:

1. **Background Details:** Mrs. S. F. Vakil, 64 years, is the Chairperson and Managing Director of the Company and Member of Stakeholders Relationship Committee and Nomination and Remuneration Committee of the Company.

Mrs. S. F. Vakil holds an M.A. degree in Industrial Psychology from Bombay University and M.B.A. degree from U.S.A. and has over 37 years of experience in business.

Mrs. S. F. Vakil has played a vital role in the success of the Company. In fact under her able and dynamic leadership the Company initiated and successfully accomplished the all round measures of cost cutting and restructuring of the business of the Company. Mrs. S. F. Vakil is shouldering the responsibilities of the Management and in house research and development. She also supervises marketing, finance and general administration.

2. **Past remuneration:** During the financial year 2015 – 16, Mrs. S. F. Vakil was paid Salary:- ₹ 54,37,500/-, perquisites:- ₹ 34,10,908/- and performance incentive:- ₹ 19,37,500/-.

The Managing Director was not paid any sitting fees for attending the meeting of the Board of Directors of the Company or any Committees thereof.



3. **Recognition or awards:** Mrs. S. F. Vakil is well recognized for her entrepreneur skills of managing business activities and has been efficiently managing various departments i.e. marketing, finance and general administration. She is at present playing a significant role in the implementation of the Dahej Project undertaken by the Company.
4. **Job profile and her suitability:** Mrs. S. F. Vakil as Chairperson and Managing Director of the Company is vested with substantial powers of management under the superintendence, control and direction of the Board of Directors. She is also involved in project implementation, policy planning, vision and strategy and long term development activities of the Company, besides Corporate Governance and Board co – ordination.
5. **Remuneration proposed :** The Board of Directors of the Company at its meeting held on 14th May, 2016 approved the terms of remuneration for the period from 1st April 2016 to 31st March, 2019 as under:

**a. Salary:**

₹ 5,21,000/- (Rupees Five Lacs Twenty One Thousand only) per month with annual increments of 15% effective from 1st April each year.

**b. Perquisites & Allowances :**

In addition to the salary, Mrs. Vakil shall also be entitled to perquisites and allowances like Free of cost furnished accommodation or house rent allowance in lieu thereof, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, servants' salary, children's education benefit; medical reimbursement, accident insurance, leave travel assistance, club fees and such benefits, and other perquisites and allowances in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and the Managing Director. Such perquisites and allowances will be subject to a maximum of 110% of the Annual salary.

Provision for use of the Company's car together with reimbursement of chauffeur's salary for official duties and telephone at residence, cellular phones (including payment of local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Company's contribution to Provident Fund and Superannuation fund or Annuity to the extent these either singly or together are not taxable under the Income-tax Act, Gratuity payable as per the rules of the Company and to the extent not taxable under the Income-tax Act and encashment of leave at the end of her tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

- c. **Performance Linked Incentive:** In addition an amount not exceeding ₹ 30,00,000/- (₹ Thirty Lacs only) per annum will be payable as per the performance criteria that may be decided by the Board at the end of each financial year.

**Minimum Remuneration:**

If in any financial year, the Company has no profits or its profits are inadequate, then in such an event, the remuneration by way of fixed pay, variable pay (performance linked incentive), perquisites, allowances and other benefits as specified above will be paid as minimum salary.

The Terms and conditions of her appointment may be varied, altered, increased, enhanced or widened from time to time by the Board of Directors, as they may, in its discretion, deem fit within the maximum amount payable in accordance with provisions of the Companies Act, 2013 or any amendments thereto.

Mrs. Vakil shall not be paid any sitting fees for attending the meeting of the Board of Directors of the Company or any Committees thereof.

6. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:** The executive remuneration in the industry is on the rise. Appreciating this, the Central Government has also from time to time raised the ceiling specified in the Act for managerial remuneration. The approval is granted by the Board of Directors, for the proposed remuneration after perusing the remuneration of managerial persons in the Specialty Chemical Industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Mrs. S. F. Vakil.
7. **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:** Mrs. S. F. Vakil holds 37,67,963 (50.57%) equity shares of the Company. Other than this there is no pecuniary relationship with the Company.

**III. Other information:**

1. **Reasons of loss or inadequate profits:** The Company has achieved a top line growth of 12%, registering total revenues of approx. ₹ 125 crs. against ₹ 112 crs. last year. EBITDA for the current year has increased by around 50% as compared to the previous year, by closely monitoring manufacturing costs, operational efficiencies and business development.



The Company is on a growth path, however there continues to be poor growth in the traditional businesses of the company, as most customers were facing a slow down due to the state of the global economy, and the vagaries of consumer demand.

The Company's Polyacrylamide plant at Kurkumbh has once again seen a poor year as it faced customer resistance from the Mining and Coal sectors and aggressive competition in the Sugar sector. The company's efforts to export product of this division are receiving limited success so far.

2. **Steps taken or proposed to be taken for improvement:** The enhanced profit from operations has come from change in product mix and consequent reduction in RM consumption and enhanced export sales.

The Company's business with its J V partner NALCO CHAMPION has grown both domestically, but especially where exports are concerned. On the export front the company has more than doubled sales as compared to last year.

The Company contemplates doubling its capacity and setting up state of the art, new facilities at Dahej, it is strengthening its portfolio of products.

Certain developed products are now accepted and introduced in the market. Also the Company has a continuous R&D process for developing new generation products.

3. **Expected increase in productivity and profits in measurable terms:**

The Dahej expansion will enable the Company to expand its manufacturing foot print and production capacity effectively. From being a smaller value added supplier of Specialty Performance applications, the Company is working towards supplying larger volumes of performance chemicals to the Construction, Oil Field & Lubricant Industries.

At this time as the company contemplates doubling its capacity and setting up state of the art, new facilities at Dahej, it is strengthening its portfolio of products to include greener products and processes not only in its present area of focus viz. Paints, Coatings and Textile, but also in looking at new areas where its ability to synthesize well defined and meaningful products using newer processes and technologies will be recognized.

Details of Directors seeking re-appointment at Fifty-Sixth Annual General Meeting (Pursuant to Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS- 2):

<b>Name</b>	Mrs. S. F. Vakil	Mr. A. H. Jehangir
<b>Date of Birth</b>	16.06.1951	01.10.1956
<b>DIN</b>	00002519	00001751
<b>Date of Appointment</b>	26.02.1979	19.02.1986
<b>Expertise in Specific function area</b>	37 years in Business Management	30 years in Investment Business
<b>Qualifications</b>	Mrs. S.F. Vakil holds an M.A. degree in Industrial Psychology from Bombay University and M.B.A. degree from U.S.A.	Commerce Graduate
<b>No of shares held in the Company</b>	37,67,963 (50.57%)	100 (0.00%)
<b>Relationship with Directors &amp; Key Managerial Personnel</b>	Mrs. Vakil is not related to any Directors/ KMP of the Company.	Mr. Jehangir is not related to any Directors/ KMP of the Company.
<b>Number of Board Meeting attended during FY 2015-16</b>	5 (five) Board meetings were held and attended during F.Y. 2015-16	5 (five) Board meetings were held and attended during F.Y. 2015-16
<b>Other Directorship in Companies/ LLP</b>	<ul style="list-style-type: none"> <li>i. Chemicals &amp; Ferro Alloys Private Limited</li> <li>ii. Dai-ichi Gosei Chemicals (India) Limited</li> <li>iii. Indian Oxides &amp; Chemicals Private Limited</li> <li>iv. Nalco Champion Dai-ichi India Private Limited (formerly known as Champion Dai-ichi Technologies India Ltd).</li> <li>v. Network Chemicals Pvt Ltd.</li> <li>vi. Performance Polymers &amp; Chemicals Pvt. Ltd.</li> <li>vii. Rose Investments Limited</li> <li>viii. Unitel Finance &amp; Investments Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>i. Amerado Enterprises LLP</li> <li>ii. Cowhill Enterprises LLP</li> <li>iii. Goodearth Enterprises LLP</li> <li>iv. Jehangir Brand Management Pvt. Ltd</li> </ul>

<b>Chairman/ Member of the Committees of Boards of other companies</b>	Chairperson; Corporate Social Responsibility Committee of Nalco Champion Dai-ichi India Private Limited (formerly known as Champion Dai-ichi Technologies India Ltd).	Nil
<b>Terms and conditions of appointment</b>	As mentioned in the explanatory statement	Non-Executive Director (Non-Independent) Liable to retire by rotation

By Order of the Board  
For Dai - ichi Karkaria Ltd.

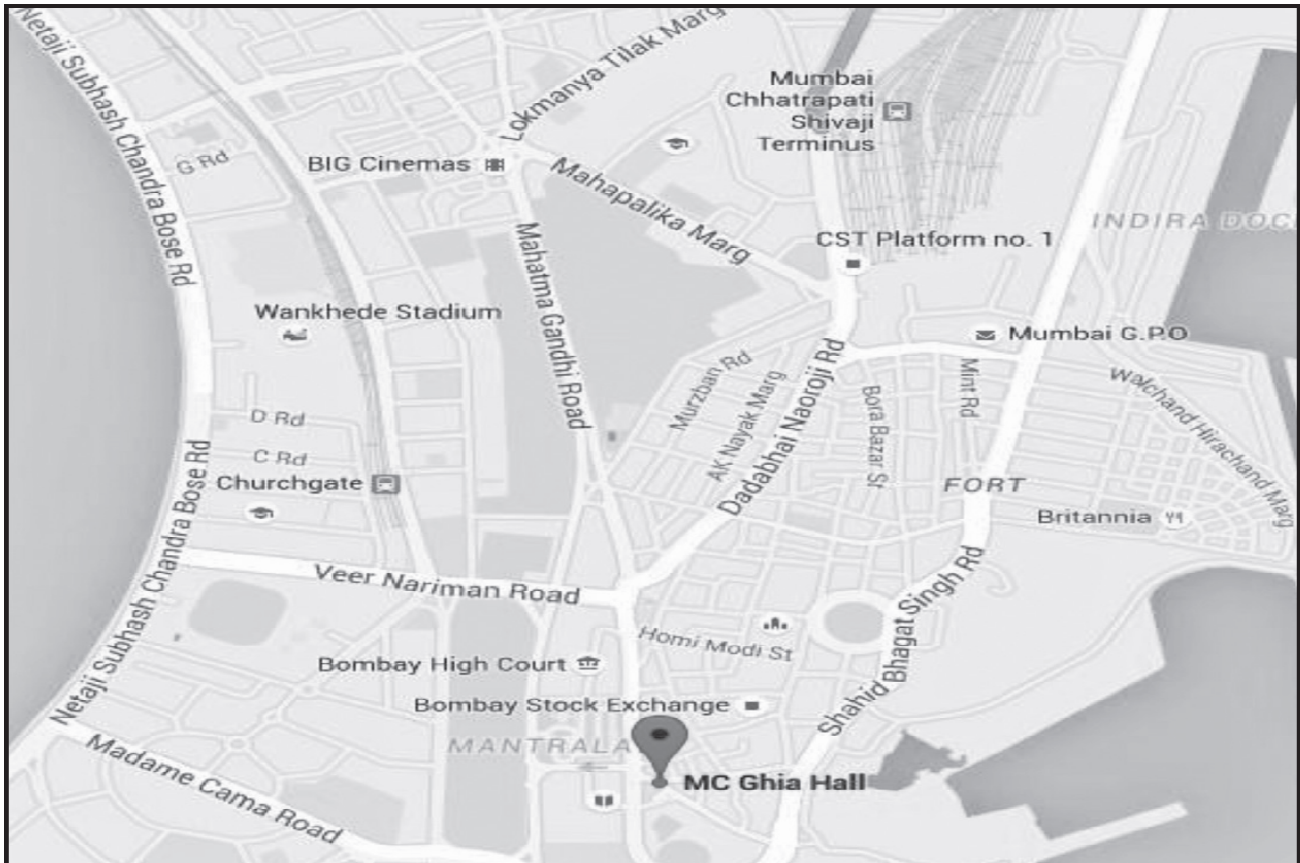
**Kavita Thadeshwar**  
Company Secretary

**Registered Office:**

Liberty Building,  
Sir Vithaldas Thackersey Marg,  
Mumbai – 400 020.

Place : Mumbai  
Date : May 14, 2016

**Route Map to the venue of the AGM**





## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fifty – Sixth Annual Report together with the audited accounts for the year ended March 31, 2016.

### FINANCIAL RESULTS:

Operational Performance	2016 (₹ in millions)	2015 (₹ in millions)
Gross Revenue from operations	1249.41	1116.63
Less: Excise duty	86.10	93.93
Net Revenue from operations	1163.31	1022.70
PBDIT (before exceptional item)	236.98	159.66
PBDIT (after exceptional item)	236.98	234.19
EPS (₹)	20.91	19.84
Book Value of Shares (₹)	133.42	116.13

### DIVIDEND:

The Board of Directors in its meeting held on March 16, 2016 declared and paid an Interim Dividend of ₹ 3/- per equity share of face value of ₹ 10/- each for the F.Y. 2015-16. The dividend payout aggregated to ₹ 22.35 million and the tax on distributable profits payable by the Company amounted to ₹ 4.55 million. The Board of Directors has not recommended any final dividend on the equity shares and considered the above Interim Dividend as final dividend for the financial year ended March 31, 2016.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The year 2015 has proved challenging for India specifically on the weather front, with deficient monsoons and drought at one end, and unseasonal rain and devastating floods at the other.

Adapting to climate change and building sustainable and relevant agricultural systems would strongly relate to a healthier economy. Sustainability through improvements in efficiency and a focus on environmental issues and through addressing opportunities that climate change and evolving eco systems bring.

Despite being the world's fastest growing economy the country, is far from achieving the Sustainable Development Goals adopted in 2015. Whilst India has 17% of the world's population it is home to 31.5% of the world's extremely poor and nothing but transformative change that balances economic growth with conservation, beyond mere convenience, can turn the tide. The chemical industry has the power and opportunity to influence and advance the human condition towards a sustainable society and planet.

Current challenges in the economy, with lower than anticipated growth and serious reduction in private investment (as banks saddled with stressed assets are unable to lend) together with slack global demand, have dampened earlier growth estimates.

In addition earlier challenges of poor infrastructure and port facility, complex tax and duty structures have not been overcome.

However, the reduction in crude oil prices has allowed the government to reduce the fiscal deficit and bring inflation under control.

It remains to be seen whether the country is really in a state of sustainable recovery and whether we can continue to be the fastest growing economy in the world.

In addition the past year saw serious reduction in growth of several core infrastructure industries. Crude oil, coal, steel and cement all saw a slowdown in 2015-16. Industrial production declined by 1.8% in June 2016 against a growth of 2.8% in the previous year.

According to IIP data the chemical industry recorded negative growth of 2% in January 2016.

In the coming financial year the Indian economy is slated to grow at 7.6% inspite of poor global demand and the reduction in exports seen over the previous year. This growth would be consumption driven, and therefore sufficiently sustainable. This would result in a surge of consumption for Specialty Chemicals.

It is predicted that the Specialty Chemical market which is currently USD 30 Billion will grow to a level of USD 80 Billion by 2023.

With growth estimates of 14% CAGR the Specialty Chemical industry is expected to grow much faster than India's GDP. The vast potential for growth for the finished products from the chemical sector can be envisaged by comparing the per capita consumption of these products against world averages. Compared to developed markets the usage of Specialty Chemicals in India is fairly low.

Most Specialty Chemical companies in India have asserted their domestic presence by designing and developing products that are very specific to the performance needs of an industrial application for a particular customer/ customers.

Dai-ichi has established and positioned itself in this way in developed areas like the Oil field sector, the Rayon industry and the Paint industry by understanding the customer's needs in full, and designing niche products to meet these performance specifications.

## Financial Highlights

The total Sales Revenue for the company was ₹ 1249 million. Once again, there was only marginal growth in certain industrial segments, due to the challenges faced by our customers during the year. However, on the export front the company has more than doubled sales as compared to last year.

The enhanced profit from operations has come from change in product mix and consequent reduction in RM consumption and enhanced export sales.

## Sector wise Performance:

There continues to be poor growth in the traditional businesses of the company, as most customers were facing a slow down due to the state of the global economy, and the vagaries of consumer demand (affecting the sales of Specialty Chemical companies supplying to the chemical sector that face the consumer.)

In addition the impact of lowered crude oil prices resulted in lower raw material prices, alerting all customers to ask for discounts in pricing.

The Company's business with its J V partner NALCO CHAMPION has grown both domestically, but especially where exports are concerned. Our ability to continuously develop and formulate products that are crude specific and meet the performance needs of the customer have allowed us to enhance business in this area substantially. The lower prices of crude oil have marginally impacted expansions and delayed projects in the Oil sector, but the impact of this on the company has not been noticeable so far.

The Company's Polyacrylamide plant at Kurkumbh has once again seen a poor year as it faced customer resistance from the Mining and Coal sectors and aggressive competition in the Sugar sector. The company's efforts to export product are receiving limited success so far. The company now is looking for a strategic relationship with an International player to support its presence in this field.

The Company's expansion at Dahej has received environmental clearance earlier this year and the company is in the process of awarding contracts to its Technology supplier as well Engineering Consultants.

It is expected that by the second/ third quarter next year some of the crucial plants would be operational at Dahej.

At this time as the company contemplates doubling its capacity and setting up state of the art, new facilities at Dahej, it is strengthening its portfolio of products to include greener products and processes not only in its present area of focus viz Paints Coatings and Textile, but also in looking at new areas where its ability to synthesise well defined and meaningful products using newer processes and technologies will be recognised. Slowly the company's new speciality products which were being stalled by customers as being too expensive are now being accepted and introduced into the market. The company's array of products in the area of Emulsion Polymerisation and Paints are slowly gaining recognition as reputed paint companies are including these products in their main stream offerings. Requirement of water based Paints & Coatings and the requirements of APEO free products speeded up the development of several new anionic and non ionic surfactants. So also a number of reactive & polymerizable surfactants specifically for exterior coating could be successfully launched. As time goes this segment should see phenomenal growth for which new generation polymerizable surfactants are also being targeted. The company could develop several surfactant formulations for making micro emulsion in the areas of Amino silicone oil, PDMS silicone oil and Diesel-water micro emulsion for static diesel engines.

The R&D developed super emulsifiers for pigment emulsions for Textile Printing:

- 1) APEO free surfactants
- 2) In the areas of pigment purification and processing

The company has worked on APGs which are based on natural resources. More work is at hand to further the progress in this area.

Another area of achievement are products for Construction Industry. A major breakthrough was in the development of clinker saver and strength enhancer for cement manufacturing followed by Super Plasticizers for High Strength self compacting Cement Concrete.

## Working Capital Management:

The significant ratios of the Company such as Ratio of Inventory to Sales is 10.70%, Receivable to Sales is 15.79%, and Net Working Capital to Sales is 28.28%.

The working capital was rotated 3 times in the year, showing effective working capital management. Funds surplus to the operational requirements have been invested in safe and relatively risk free instruments to earn a reasonable return.

## JOINT VENTURE / ASSOCIATE/ SUBSIDIARY COMPANIES:

**Joint Venture Company – Nalco Champion Dai-ichi India Private Limited** (formerly known as Champion Dai-ichi Technologies India Ltd.)

To identify the association of the Joint Venture Partner Champion with the NALCO CHAMPION group, the Joint Venture Company is now called Nalco Champion Dai – ichi India Private Limited w.e.f. September 1, 2015. The Joint Venture is held in the ratio of 50:50





Key Performance Indicators for the year under review, of the Joint Venture Company are as under:

Particulars	(₹ in millions)
Turnover	1667.29
Profit Before Tax	349.07
Net Profit	227.35
Earning per share	₹ 101.04/-

**Annual report of subsidiary company:**

As on March 31, 2016, the Company has only one subsidiary, Dai-ichi Gosei Chemicals (India) Limited. The Company continues to be a dormant company.

The Annual accounts of the subsidiary company are placed on the website of the Company and will be provided to the members on request.

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and applicable Accounting Standards, the Consolidated Financial Statements of the Company with its Joint Venture Company, Nalco Champion Dai – ichi India Pvt. Ltd and Subsidiary Company, Dai-ichi Gosei Chemicals (India) Limited., duly audited by the Statutory Auditors are attached to the financials.

Statement containing salient features of the financial statement of subsidiary/ associate company/ joint venture are attached to the financials.

**DIRECTORS:**

Mr. A. H. Jehangir retires from the Board of Directors by rotation, in pursuance of the provisions of the Companies Act, 2013 and Articles of Association of the Company. Being eligible for reappointment, he has offered himself for re – appointment. The Board of Directors recommends his re-appointment.

The Board of Directors have subject to the approval of shareholders re-appointed Mrs. S. F. Vakil as Chairperson & Managing Director of the Company for the period from April 1, 2016 to March 31, 2019.

The information required to be furnished under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Secretarial Standards are given in the Notice of the 56th Annual General Meeting.

The Members of the Company had appointed Dr. Anil Naik, Mr. Kavas Patel and Mr. Keki Elavia as Independent Directors under the Companies Act, 2013 for a period of 5 years for a term upto March 31, 2019. All Independent Directors have given declarations that they continue to 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.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(5) of the Companies Act, 2013:

- In the preparation of the annual accounts, for the financial year ended March 31, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2016 and of the profit and loss of the company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern basis; and
- The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**DETAILS OF INTERNAL FINANCIAL CONTROLS:**

The Board of Directors have laid down Internal Financial Controls within the meaning of the explanation to Section 134(5)(e) ("IFC") of the Companies Act, 2013. The Board believes the Company has sound IFC commensurate with the nature and size of its business. Business is however dynamic. The Board is seized of the fact that IFC are not static and are in fact a fluid set of tools which evolve over time as the business, technology and fraud environment changes in response to competition, industry practices, legislation, regulation and current economic conditions. There will therefore be gaps in the IFC as Business evolves. The Company has a process in place to continuously identify such gaps and implement newer and or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.



**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 performance evaluation of its own performance, individual directors and its committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**NUMBER OF MEETINGS OF THE BOARD AND COMMITTEES OF THE BOARD:**

Details regarding Board / Committees, its composition, number of meetings held, terms of reference, policies adopted are provided under the Corporate Governance Report forming part of the Annual Report.

**CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:**

During the year under review, the Company has undertaken CSR activities through an Implementing Agency in the areas of promoting health care including preventive healthcare and promoting education, including special education.

Aid is provided to needy patients suffering from chronic diseases such as Renal failure, Cancer, Heart diseases, Lung diseases etc. Scholarships / Fees sponsorships are provided to the needy and deserving students.

Detailed report on CSR is annexed to the report as 'Annexure A'.

**MATERIAL DEVELOPMENTS ON HUMAN RESOURCES INCLUDING NUMBER OF PEOPLE EMPLOYED:**

The Company's Human Resource Policy over the years has resulted in a very low attrition ratio of less than 1% per annum. All manpower requirements are assessed and filled in a timely manner. The Company has a sound knowledge pool of experienced employees, which helps it to maintain consistency in performance across all disciplines. It has built a team of dedicated employees, who work with commitment and a sense of belonging towards the growth of the Company.

We continuously strengthen our HR practices to create a knowledge-driven work environment that provides equal opportunities to all our employees. We value innovation, creativity and diversity throughout our organization. We pursue multiple developmental initiatives and ongoing training programmes to reinforce a high performance work ethic. Performance-based recognition drives company's culture of achievement and excellence.

Following areas are given special attention to enhance performance of the employees.

- Identification of training & development needs and up gradation of job specific skills
- Compensation, recognition & rewards
- Career growth plan through annual assessment
- Supporting employment related legislative compliance
- Promoting excellence in human resource management
- The promotion of an atmosphere of mutual respect, fairness and concern
- Company has extended its facility for "OJT" under Learn & Earn scheme "to the rural, needy and economical weak youths for perusing special skills and higher education.
- All HR policies and Procedures are designed & documented.

As on March 31, 2016, the total numbers of employees on the payrolls of the company at all the locations are **219**.

**MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197(12) read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars 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. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

**AUDITORS:****STATUTORY AUDITORS:**

M/s. Deloitte Haskins & Sells LLP, were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 54th Annual General Meeting upto the conclusion of 57th Annual General Meeting of the Company, subject to ratification of members at every Annual General Meeting. Being eligible, it is recommended to ratify the appointment of M/s. Deloitte Haskins & Sells LLP in this Annual General Meeting to audit the accounts of the Company for the financial year 2016 – 2017.

**INTERNAL AUDITORS:**

M/s. B.K. Khare & Co., Chartered Accountants, are the Internal Auditors of the Company. The Management regularly reviews the findings of the Internal Auditors and effective steps to implement any suggestions/observations of the Internal Auditors are taken and monitored regularly. In addition, the Audit Committee of the Board regularly addresses significant issues raised by the Internal Auditors.



#### **SECRETARIAL AUDITORS:**

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. Kaushik M. Jhaveri & Co., a firm of Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the F.Y. 2015 – 16 is annexed herewith as 'Annexure B'.

#### **COST AUDITORS:**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Company has appointed Mr. S.G. Jog, Cost Accountant, (Membership no. 5599), Pune as Cost Auditor of the Company for the financial year 2015-16.

#### **DETAILS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The Company has not provided any loan or given any guarantee / security to any person.

Details of investment made by the Company are provided in the financial statements, under Investment Schedule. These investments are made by the Company in ordinary course of business, out of the surplus funds presently available with the Company, in view of getting an effective return.

The funds shall be utilized for implementation of Dahej Project, in near future.

#### **PARTICULARS OF CONTRACTS AND ARRANGEMENT COVERED UNDER SECTION 188 OF THE COMPANIES ACT, 2013:**

All transactions entered into with Related Parties are in the ordinary course of business and are at arm's length. Details regarding transactions entered into with related parties are provided in the notes to accounts.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Details of Related Party Transaction Policy are provided in Corporate Governance Report.

#### **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of Annual Return in Form MGT 9 is annexed herewith as 'Annexure C'.

#### **CORPORATE GOVERNANCE:**

As per Regulation 15 of SEBI Listing Regulations, applicability with respect to provisions of Corporate Governance is not mandatory to the Company. The Company has been complying with the provisions on voluntary basis.

A separate report on Corporate Governance is attached as a part of the Annual Report along with the certificate from Practicing Company Secretaries on its compliance.

#### **LISTING:**

The Equity Shares of your company are presently listed on BSE Ltd. and the Company has paid the annual listing fees for the financial year 2016-2017.

#### **HEALTH, SAFETY & ENVIRONMENT:**

Health, Safety & Protection of the Environment is the priority areas for the Company. The Company continues to put special emphasis in this area at every stage, from conception and design of new products, optimization of process, to commercial manufacturing and delivery of goods to the customers. Recently company has successfully completed DNV-GL Certification Audit of ISO 14001:2015 & OHSAS 18001:2007. The certificates will be awarded soon.

##### **(a) Health:**

A special committee ensures good sanitation and hygienic condition in the plant and canteen. Medical examination of all the employees is carried out annually. Six monthly medical examinations are conducted for the employees who are working in Hazardous Areas.

##### **(b) Safety and Environment:**

Safety Audit and HAZOP STUDY report for Ethoxylation/ Propoxylation process are carried out as per the provisions of Factories Act.

Due to changes in the factory lay out, On – Site Emergency Plan, Factory Site Layout plan and Factory elevation plan are updated and approved by Director of Industrial Safety & Health, Pune.

Every year Safety week is celebrated from 4th March to 11th March during which competitions, lectures and training sessions are organized to inculcate and enforce the need for a safe working environment and Emergency Planning.

Effluent Treatment Plant is upgraded and maintained, in order to use the treated effluent in various processes, thus, increasing water conservation.

Sulphonation plant is also upgraded which has brought emission levels of Sulphur Trioxide (SO<sub>3</sub>) & Sulphur Dioxide (SO<sub>2</sub>) to a bare minimum.

#### **INDUSTRIAL RELATIONS:**

The wage agreement with the workers of the Company expired on 30th November 2008. As Conciliation proceedings before the Labour Commissioner, Pune for arriving at a settlement were not conclusive, the matter was referred to the Industrial Court, Pune for adjudication. The said reference is rejected by the Hon'ble Industrial court for want of prosecution by the recognized union. The decision of the Industrial Court was challenged before the Mumbai High Court, the Court has upheld the decision of the Industrial Court. The matter is further challenged and is now pending before the Hon'ble Supreme Court.

Considering the prolonged judicial process and financial hardships that workers face, the Company together with some of the workers has taken initiative to come to an amicable solution and have signed individual wage rise settlements for the period from December 2013 to November 2017. About 50% of workers have willingly accepted the same.

#### **Form A & B Report:**

#### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo:**

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 are annexed to this report as 'Annexure D'.

#### **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.:**

As per the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16;

- No of complaints received : **Nil**
- No of complaints disposed off : **Nil**

#### **ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation of the contribution made by the employees of the Company. The Directors wish to convey their appreciation to the Banks, dealers and other business associates and the shareholders for their continuous trust and support.

#### **CAUTIONARY NOTE:**

Certain statements in the Directors' Report and Management & Discussion Analysis section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook.

For and on behalf of the Board

**Mrs. S. F. Vakil**

Chairperson & Managing Director

Place : Mumbai

Date : May 14, 2016



## ANNEXURE 'A' TO DIRECTORS' REPORT

### REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

The Company had undertaken CSR activities through Implementing Agency i.e. Maneckji and Shirinbai Neterwala Foundation in the areas of promoting health care including preventive healthcare and promoting education including special education.

The Company's CSR Policy may be viewed at following web link: <http://www.dai-ichiindia.com/investor/CSR%20Policy.pdf>

2. **The Composition of the CSR Committee:** The Committee comprises of Mr. Keki Elavia as Chairman, Mr. Adi Jehangir and Mrs. S.F. Vakil as members.
3. **Average net profit of the Company for the last three financial years:** ₹ 735.61 lacs
4. **Prescribed CSR Expenditure :** ₹ 14.71 lacs
5. **Details of CSR spent during the financial year;**
  - a) Total amount to be spent for the financial year : ₹ 14.71 lacs
  - b) Amount unspent, if any: 0.66 lacs
  - c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs 1. Local area or other 2. Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on projects or programs 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Providing medical help for patients suffering from diseases such as*: • Renal failure • Cancer • Heart problems/ diseases • Lung diseases • Cataract etc.	Health Care	Maharashtra (Mumbai & Thane)	14.05 lacs for all projects and programs. (including previous year's unspent amount of ₹ 11.63 lacs)	₹ 5.01 lacs	₹ 5.01 lacs	Maneckji and Shirinbai Neterwala Foundation

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs 1. Local area or other 2. Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on projects or programs 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
2.	<ul style="list-style-type: none"> <li>• Providing Scholarship to deserving students.*</li> <li>• Providing help to schools imparting special education by sponsoring fees of students or equipments, devices to help them cop up with the handicap faced by them.*</li> </ul>	Education	Maharashtra (Mumbai & Thane)	14.05 lacs for all projects and programs. (including previous year's unspent amount of ₹ 11.63 lacs)	₹ 8.59 lacs	₹ 8.59 lacs	Maneckji and Shirinbai Neterwala foundation
3.	<ul style="list-style-type: none"> <li>• Ensuring environment sustainability.</li> </ul>	Conservation of Environment	Maharashtra		₹ 0.45 lac	₹ 0.45 lac	
	Total (1+2+3)			₹ 14.05 lacs	₹ 14.05 lacs	₹ 14.05 lacs	

\* Subject to satisfying specified criterias

6. **Reasons for not spending the entire amount:** The Company is identifying the eligible areas where amount of CSR could be spent.
7. **Responsibility statement:** The CSR Committee confirms that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**Mrs. S. F. Vakil**  
Chairperson & Managing Director

**Mr. K. M. Elavia**  
Chairman of the CSR Committee

Place : Mumbai  
Date : May 14, 2016



## ANNEXURE 'B' TO THE DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

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

To,  
The Members,  
Dai-ichi Karkaria Limited  
Liberty Building,  
Sir Vithaldas Thackersey Marg,  
Mumbai – 400 020

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dai-ichi Karkaria Limited (CIN: L24100MH1960PLC011681)** (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Dai-ichi Karkaria Limited** for the financial year ended on 31st March, 2016 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; (Not Applicable to the company during audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - (Not Applicable to the company during audit period)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - (Not Applicable to the company during audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the company during audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the company during audit period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;- (Not Applicable to the company during audit period)
- (vi) Other applicable Acts/ Laws are given below :
  - (a) The Water (Prevention and Control of Pollution) Act, 1974
  - (b) The Air (Prevention and Control of Pollution) Act, 1981
  - (c) The Batteries (Management & Handling ) Rules, 2001
  - (d) The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
  - (e) The Environment (Protection) (Second Amendment) Rules, 1992



- (f) The Legal Metrology Act, 2009
- (g) The Electricity Act, 2003
- (h) The Plastic Manufacture, Sale & Usage Rule 1999
- (i) The Ozone Depleting Substances (Regulation & Control) Rules, 2000
- (j) The Public Liability Insurance Act, 1991
- (k) The Indian Gas Act, 1995
- (l) The Petroleum Act, 1934
- (m) The Factories Act, 1948

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange
- (iii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the audit period.

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.

Decisions at the board meetings are carried with the approval of Board and recorded in the minutes accordingly.

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

**We further report that** during the audit period there were no such events that took place having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred above

**For Kaushik M. Jhaveri & Co.,**

**Kaushik Jhaveri**  
**Practising company secretary**  
**FCS No.: 4254**  
**CP No.: 2592**

Place: Mumbai

Date : 14th May, 2016

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 SECRETARIAL AUDIT REPORT OF**  
**Dai-ichi Karkaria Limited for the year ended 31st March, 2016**

To,  
The Members,  
Dai-ichi Karkaria Limited  
Liberty Building, Sir Vithaldas Thackersey Marg,  
Mumbai – 400 020

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

1. Maintenance of secretarial record is the responsibility of the Management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we 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. Our 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 Kaushik M. Jhaveri & Co.,**

**Kaushik Jhaveri**  
**Practising Company Secretary**  
**FCS No.: 4254**  
**CP No.: 2592**

Place: Mumbai  
Date : 14th May, 2016

**Annexure 'C' to the Directors' Report****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2016  
[Pursuant to Section 92(3) of the Companies Act, 2013 and  
Rule 12(1) of the Companies( Management and Administration) Rules, 2014]

**Form No. MGT-9****I. REGISTRATION AND OTHER DETAILS:**

<b>CIN</b>	L24100MH1960PLC011681
<b>Registration Date</b>	13/05/1960
<b>Name of the Company</b>	DAI-ICHI KARKARIA LIMITED
<b>Category/ Sub-Category of the Company</b>	Public Company having Share Capital
<b>Address of the Registered office and contact details</b>	Liberty Building, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai - 400020 Tel: 2201 7130/2201 5895 email: investor@dai-ichiindia.com website: www.dai-ichiindia.com
<b>Whether listed company</b>	Yes
<b>Name, Address and Contact details of Registrar and Transfer Agents</b>	Sharex Dynamic (India) Private Ltd. Unit 1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (E), Mumbai – 400 072 Tel: 2851 5606/2851 5644 email: sharexindia@vsnl.com website: www.sharexindia.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

<b>Sr. No.</b>	<b>Name and Description of main products/ services</b>	<b>NIC Code of the Product/ service</b>	<b>% to total turnover of the Company</b>
1	Oil Field Chemicals	2029	31.77%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

<b>Sr. No</b>	<b>Name and Address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
1	Dai-ichi Gosei Chemicals (India) Limited	U24100MH1991PLC059922	Subsidiary	97%	2(87)
2	Nalco Champion Dai – ichi India Pvt. Ltd. (formerly known as Champion Dai-ichi Technologies India Limited.)	U24110MH1990PTC055089	Associate / Joint venture	50%	2(6)



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

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/ HUF	40,60,922	—	40,60,922	54.5	44,82,255	—	44,82,255	60.16	5.66
(b) Central Govt	—	—	—	—	—	—	—	—	—
(c) State Govt(s)	—	—	—	—	—	—	—	—	—
(d) Bodies Corp.	6,86,717	—	6,86,717	9.22	2,63,384	—	2,63,384	3.53	-5.68
(e) Banks/FI	—	—	—	—	—	—	—	—	—
(f) Any Other	—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (1):-</b>	<b>47,47,639</b>	<b>—</b>	<b>47,47,639</b>	<b>63.72</b>	<b>47,45,639</b>	<b>—</b>	<b>47,45,639</b>	<b>63.69</b>	<b>-0.03</b>
<b>(2) Foreign</b>									
(a) NRIs Individuals	—	—	—	—	—	—	—	—	—
(b) Other Individuals	—	—	—	—	—	—	—	—	—
(c) Bodies Corp.	—	—	—	—	—	—	—	—	—
(d) Banks / FI	—	—	—	—	—	—	—	—	—
(e) Any Other	—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (2):-</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total shareholding of Promoter (A) = (A) (1) + (A)(2)</b>	<b>47,47,639</b>	<b>—</b>	<b>47,47,639</b>	<b>63.72</b>	<b>47,45,639</b>	<b>—</b>	<b>47,45,639</b>	<b>63.69</b>	<b>-0.03</b>
<b>(B) Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	—	1,600	1,600	0.02	—	1,600	1,600	0.02	—
(b) Banks / FI	—	—	—	—	—	—	—	—	—
(c) Central Govt	—	—	—	—	—	—	—	—	—
(d) State Govt(s)	—	—	—	—	—	—	—	—	—
(e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
(f) Insurance Companies	—	—	—	—	—	—	—	—	—
(g) FIs	—	—	—	—	—	—	—	—	—
(h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
(i) Others (specify)	—	—	—	—	—	—	—	—	—
<b>Sub-total (B)(1):-</b>	<b>—</b>	<b>1,600</b>	<b>1,600</b>	<b>0.02</b>	<b>—</b>	<b>1,600</b>	<b>1,600</b>	<b>0.02</b>	<b>—</b>

<b>2. Non-Institutions</b>									
<b>(a) Bodies Corp.</b>									
(i) Indian	2,73,307	26,400	2,99,707	4.02	3,38,811	26,400	3,65,211	4.90	0.88
(ii) Overseas	—	—	—	—	—	—	—	—	—
<b>(b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	12,07,009	1,60,277	13,67,286	18.35	11,64,932	1,45,777	13,10,709	17.59	-0.76
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	9,37,265	—	9,37,265	12.58	887,627	—	8,87,627	11.91	-0.67
<b>(c) Other (specify)</b>									
(i) Non Resident Indians	38,647	33,400	72,047	0.97	42,260	29,700	71,960	0.97	—
(ii) Overseas Corporate Bodies	—	20,100	20,100	0.27	—	20,100	20,100	0.27	—
(iii) Clearing Members	5,585	—	5,585	0.08	48,383	—	48,383	0.65	0.57
<b>Sub-total (B)(2):-</b>	<b>24,61,813</b>	<b>2,40,177</b>	<b>27,01,990</b>	<b>36.26</b>	<b>24,82,013</b>	<b>2,21,977</b>	<b>27,03,990</b>	<b>36.29</b>	<b>0.03</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>24,61,813</b>	<b>2,41,777</b>	<b>27,03,590</b>	<b>36.28</b>	<b>24,82,013</b>	<b>2,23,577</b>	<b>27,05,590</b>	<b>36.31</b>	<b>0.03</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	—	—	—	—	—	—	—	—	—
<b>Grand Total (A+B+C)</b>	<b>72,09,452</b>	<b>2,41,777</b>	<b>74,51,229</b>	<b>100.00</b>	<b>72,27,652</b>	<b>2,23,577</b>	<b>74,51,229</b>	<b>100.00</b>	<b>—</b>

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of Shares/ Pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares/ Pledged/ encumbered to total shares	
1	Mrs. P.R. Mehta jointly with Mrs. S.F. Vakil and Mr. F.D. Neterwala*	16,87,500	22.65	—	—	—	—	(22.65)
2	Mrs. S.F. VAKIL*	9,98,390	13.40	—	37,67,963	50.57	—	37.17
3	Mrs. S.F. Vakil jointly with Mr. F.D. Neterwala and Mrs. P.R. Mehta*	4,92,240	6.61	—	—	—	—	(6.61)
4	Parveenbibi Hamidkhan Malik	3,16,083	4.24	—	3,16,083	4.24	—	—
5	Roshan Hoshi Gazdar	3,08,367	4.14	—	3,08,367	4.14	—	—



Sl. No.	Shareholder's name	Shareholding at the beginning of the year 01/04/2015			Share holding at the end of the year 31/03/2016			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of Shares/ Pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares/ Pledged/ encumbered to total shares	
6	Rose Investments Ltd	2,62,800	3.53	—	2,62,800	3.53	—	—
7	Chemicals and Ferro Alloys Private Limited*	2,57,000	3.45	—	—	—	—	(3.45)
8	Dhunjshaw M Neterwala*	1,66,500	2.23	—	—	—	—	(2.23)
9	Universal Ferro and Allied Chemicals Limited*	1,66,333	2.23	—	—	—	—	(2.23)
10	Firoze Adi Vakil	78,009	1.05	—	76,009	1.02	—	(0.03)
11	Mehernaz Hoshi Gazdar	8,833	0.12	—	8,833	0.12	—	—
12	Hamidkhan Malik	3,200	0.04	—	3,200	0.04	—	—
13	Shireen Hoshi Gazdar	1,300	0.02	—	1,300	0.02	—	—
14	General Pharmaceuticals Private Limited	584	0.01	—	584	0.01	—	—
15	Hoshang Rustom Karkaria	300	—	—	300	—	—	—
16	Adi H Jehangir	100	—	—	100	—	—	—
17	Jehangir H C Jehangir	100	—	—	100	—	—	—

\* Inter-se transfer of Shares on account of family settlement among promoters and relatives.

### (iii) Change in Promoter's Shareholding

Sl. No.	Shareholder's name	Shareholding at the beginning of the year 01/04/2015		Date	Increase / Decrease in shareholding	Reason	Share holding at the end of the year 31/03/2016	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Mrs. P. R. Mehta jointly with Mrs. S. F. Vakil and Mr. F. D. Neterwala*	16,87,500	22.65	01-04-2015				
				04-12-2015	16,87,500	Inter-se Transfer	—	—
				31-03-2016	—		—	—
2	Shernaz Firoze Vakil	9,98,390	13.40	01-04-2015	—	—	—	—
		—	—	04-12-2015	22,62,907	Inter-se Transfer	32,61,297	43.77
		—	—	08-01-2016	83,333	Transmission	33,44,630	44.89
		—	—	18-03-2016	4,23,333	Inter-se Transfer	37,67,963	50.57
		—	—	31-03-2016	—	—	37,67,963	50.57



Sl. No.	Shareholder's name	Shareholding at the beginning of the year 01/04/2015		Date	Increase/ Decrease in shareholding	Reason	Share holding at the end of the Year 31/03/2016	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
3	Mrs. S. F. Vakil jointly with Mr. F. D. Neterwala and Mrs. P. R. Mehta*	4,92,240	6.61	01-04-2015				
				04-12-2015	4,92,240	Inter-se Transfer	—	—
				31-03-2016	—		—	—
4	Chemicals And Ferro Alloys Private Limited	2,57,000	3.45	01-04-2015				
				11-03-2016	-2,57,000	Inter-se Transfer	—	—
				31-03-2016			—	—
5	Dhunjishaw M Neterwala	1,66,500	2.24	01-04-2015				
				04-12-2015	-83,167	Inter-se Transfer	83,333	1.12
				08-01-2016	-83,333	Transmission	—	—
				31-03-2016	—		—	—
6	Universal Ferro And Allied Chemicals Ltd.	1,66,333	2.23	01-04-2015				
				11-03-2016	-1,66,333	Inter-se Transfer	—	—
				31-03-2016			—	—
7	Firoze Adi Vakil	78,009	1.05	01-04-2015	—	—	—	—
		—	—	21-08-2015	-2,000	Sale of shares	76,009	1.02
		—	—	31-03-2016	—	—	76,009	1.02

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

Sl. No.	Shareholder's name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding	
		No. of shares at the beginning (01.04.2015) and end of the year (31.03.2016)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Pratiksha Satishchandra Doshi	1,62,128	2.18	1-Apr-2015	—	—	—	—
		—	—	31-Mar-2016	—	—	1,62,128	2.18



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

Sl. No.	Shareholder's name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding	
		No. of shares at the beginning (01.04.2015) and end of the year (31.03.2016)	% of total Shares of the company				No. of Shares	% of total Shares of the company
2	Ashokkumar Parmar	1,94,230	2.61	1-Apr-2015	—	—	—	—
		—	—	3-Apr-2015	-500	Transfer	1,93,730	2.6
		—	—	10-Apr-2015	-3,058	Transfer	1,90,672	2.56
		—	—	17-Apr-2015	-750	Transfer	1,89,922	2.55
		—	—	24-Apr-2015	-1,669	Transfer	1,88,253	2.53
		—	—	1-May-2015	-1,505	Transfer	1,86,748	2.51
		—	—	8-May-2015	-1,360	Transfer	1,85,388	2.49
		—	—	15-May-2015	-1,964	Transfer	1,83,424	2.46
		—	—	22-May-2015	-2,484	Transfer	1,80,940	2.43
		—	—	29-May-2015	-2,781	Transfer	1,78,159	2.39
		—	—	5-Jun-2015	-2,125	Transfer	1,76,034	2.36
		—	—	12-Jun-2015	-400	Transfer	1,75,634	2.36
		—	—	10-Jul-2015	-3,071	Transfer	1,72,563	2.32
		—	—	17-Jul-2015	-2,700	Transfer	1,69,863	2.28
		—	—	24-Jul-2015	-1,420	Transfer	1,68,443	2.26
		—	—	31-Jul-2015	-3,768	Transfer	1,64,675	2.21
		—	—	7-Aug-2015	-1,780	Transfer	1,62,895	2.19
		—	—	14-Aug-2015	-4,778	Transfer	1,58,117	2.12
		—	—	21-Aug-2015	-1,514	Transfer	1,56,603	2.10
		—	—	28-Aug-2015	-3,000	Transfer	1,53,603	2.06
		—	—	4-Sep-2015	-500	Transfer	1,53,103	2.06
		—	—	11-Sep-2015	-263	Transfer	1,52,840	2.05
		—	—	25-Sep-2015	-50	Transfer	1,52,790	2.05
		—	—	30-Sep-2015	-250	Transfer	1,52,540	2.05
		—	—	9-Oct-2015	-940	Transfer	1,51,600	2.04
		—	—	16-Oct-2015	-1,213	Transfer	1,50,387	2.02
		—	—	30-Oct-2015	-1,654	Transfer	1,48,733	2.00
		—	—	6-Nov-2015	-3,052	Transfer	1,45,681	1.96
		—	—	13-Nov-2015	-2,155	Transfer	1,43,526	1.93
		—	—	20-Nov-2015	-2,768	Transfer	1,40,758	1.89
		—	—	27-Nov-2015	-1,200	Transfer	1,39,558	1.87
		—	—	4-Dec-2015	-1,019	Transfer	1,38,539	1.86
		—	—	11-Dec-2015	-1,570	Transfer	1,36,969	1.84
		—	—	18-Dec-2015	-806	Transfer	1,36,163	1.83
		—	—	25-Dec-2015	-730	Transfer	1,35,433	1.82
		—	—	31-Dec-2015	-1,546	Transfer	1,33,887	1.80
		—	—	15-Jan-2016	-670	Transfer	1,33,217	1.79
		—	—	22-Jan-2016	-2,692	Transfer	1,30,525	1.75
		—	—	29-Jan-2016	-1,550	Transfer	1,28,975	1.73
		—	—	5-Feb-2016	-1,796	Transfer	1,27,179	1.71
		—	—	12-Feb-2016	-2,480	Transfer	1,24,699	1.67
		—	—	19-Feb-2016	-660	Transfer	1,24,039	1.67
		—	—	26-Feb-2016	-2,783	Transfer	1,21,256	1.63
		—	—	18-Mar-2016	-1,628	Transfer	1,19,628	1.61
		—	—	25-Mar-2016	-275	Transfer	1,19,353	1.60
	-Closing Balance	1,19,353	1.60	31-Mar-2016	—	—	1,19,353	1.60

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (contd.)

Sl. No.	Shareholder's name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding	
		No. of shares at the beginning (01.04.2015) and end of the year (31.03.2016)	% of total Shares of the company				No. of Shares	% of total Shares of the company
3	<b>Ajinkya Electromelt Pvt Ltd.</b>	1,13,270	1.52	1-Apr-2015	—	—	—	—
		—	—	15-May-2015	389	Transfer	1,13,659	1.53
		—	—	5-Jun-2015	2,036	Transfer	1,15,695	1.55
		—	—	19-Jun-2015	1,305	Transfer	1,17,000	1.57
		—	—	18-Mar-2016	1,518	Transfer	1,18,518	1.59
		—	—	25-Mar-2016	180	Transfer	1,18,698	1.59
		—	—	28-Mar-2016	23	Transfer	1,18,721	1.59
		-Closing Balance	1,18,955	31-Mar-2016	234	Transfer	1,18,955	1.60
4	<b>Dolly Khanna</b>	78,221	1.05	1-Apr-2015	—	—	—	—
		—	—	17-Apr-2015	1,000	Transfer	79,221	1.06
		—	—	31-Jul-2015	879	Transfer	80,100	1.08
		—	—	7-Aug-2015	1,474	Transfer	81,574	1.10
		—	—	21-Aug-2015	1,073	Transfer	82,647	1.11
		—	—	18-Sep-2015	2,000	Transfer	84,647	1.14
		—	—	30-Sep-2015	1,000	Transfer	85,647	1.15
		—	—	27-Nov-2015	1,000	Transfer	86,647	1.16
		-Closing Balance	86,647	31-Mar-2016	—	—	86,647	1.16
5	<b>Bhanu Satishchandra Doshi</b>	70,328	0.944	1-Apr-2015	—	—	—	—
		-Closing Balance	—	31-Mar-2016	—	—	70,328	0.94
6	<b>Hitesh Satishchandra Doshi</b>	70,009	0.94	1-Apr-2015	—	—	—	—
		-Closing Balance	—	31-Mar-2016	—	—	70,009	0.94
7	<b>Satishchandra Shantilal Doshi</b>	69,556	0.93	1-Apr-2015	—	—	—	—
		-Closing Balance	—	31-Mar-2016	—	—	69,556	0.93
8	<b>Shirish Joshi</b>	40,095	0.54	1-Apr-2015	—	—	—	—
		—	—	11-Mar-2016	105	Transfer	40,200	0.54
		-Closing Balance	—	31-Mar-2016	—	—	40,200	0.54



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

Sl. No.	Shareholder's name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding	
		No. of shares at the beginning (01.04.2015) and end of the year (31.03.2016)	% of total Shares of the company				No. of Shares	% of total Shares of the company
9	Ranjeet Singh Sibia	18,000	0.24	29-May-2015	—	—	—	—
		—	—	5-Jun-2015	9,709	Transfer	27,709	0.37
		—	—	12-Jun-2015	2,291	Transfer	30,000	0.40
		—	—	3-Jul-2015	1,000	Transfer	31,000	0.42
		—	—	10-Jul-2015	2,000	Transfer	33,000	0.44
		—	—	17-Jul-2015	7,000	Transfer	40,000	0.54
		—	—	31-Mar-2016	—	—	40,000	0.54
10	India Infoline Limited	120	0.00	3-Apr-2015	—	—	—	—
		—	—	17-Apr-2015	-68	Transfer	52	0.00
		—	—	8-May-2015	-30	Transfer	22	0.00
		—	—	29-May-2015	53	Transfer	75	0.00
		—	—	30-Jun-2015	-73	Transfer	2	0.00
		—	—	17-Jul-2015	300	Transfer	302	0.00
		—	—	7-Aug-2015	-272	Transfer	30	0.00
		—	—	21-Aug-2015	30	Transfer	60	0.00
		—	—	28-Aug-2015	9,877	Transfer	9,937	0.13
		—	—	18-Sep-2015	-9,927	Transfer	10	0.00
		—	—	30-Sep-2015	528	Transfer	538	0.01
		—	—	9-Oct-2015	-424	Transfer	114	0.00
		—	—	16-Oct-2015	-94	Transfer	20	0.00
		—	—	23-Oct-2015	80	Transfer	100	0.00
		—	—	6-Nov-2015	369	Transfer	469	0.01
		—	—	27-Nov-2015	-414	Transfer	55	0.00
		—	—	4-Dec-2015	5	Transfer	60	0.00
		—	—	11-Dec-2015	500	Transfer	560	0.01
		—	—	25-Dec-2015	-550	Transfer	10	0.00
		—	—	31-Dec-2015	34,500	Transfer	34,510	0.46
		—	—	8-Jan-2016	-10	Transfer	34,500	0.46
		—	—	15-Jan-2016	100	Transfer	34,600	0.46
		—	—	22-Jan-2016	-100	Transfer	34,500	0.46
		—	—	29-Jan-2016	200	Transfer	34,700	0.47
		—	—	5-Feb-2016	-200	Transfer	34,500	0.46
		—	—	18-Mar-2016	50	Transfer	34,550	0.46
		—	—	25-Mar-2016	-50	Transfer	34,500	0.46
		—	—	31-Mar-2016	1	—	34,501	0.46
		34,501	0.463	31-Mar-2016	1	—	34,501	0.46

Note : All the above transactions relates to Market Sale / Purchase.

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

Sl. No.	Directors and KMP	Shareholding at the beginning of the year 01/04/2015		Date	Increase / Decrease in shareholding	Reason	Share holding at the end of the Year 31/03/2016	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Mrs. S. F. Vakil, Chairperson & Managing Director	9,98,390	13.40	01-04-2015	—	—	—	—
		—	—	04-12-2015	22,62,907	Inter-se Transfer	32,61,297	43.77
		—	—	08-01-2016	83,333	Transmission	33,44,630	44.89
		—	—	18-03-2016	4,23,333	Inter-se Transfer	37,67,963	50.57
	-Closing Balance	—	—	31-03-2016	—	—	37,67,963	50.57
2	Mr. A. H. Jehangir, Director	100	—	01-04-2015	—	—	—	—
		—	—	31-03-2016	—	—	100	—

Note : None of the KMP/ Directors except Mrs. S. F. Vakil & Mr. A. H. Jehangir holds shares in the Company.

## V. INDEBTEDNESS

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

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year;				
i) Principal Amount	1,231,534	—	—	1,231,534
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>1,231,5324</b>	<b>—</b>	<b>—</b>	<b>1,231,534</b>
Change in Indebtedness during the financial year ;				
a) Addition	5,994,212	—	—	5,994,212
b) Reduction	(364,995)	—	—	(364,995)
<b>Net Change</b>	<b>5,629,217</b>	<b>—</b>	<b>—</b>	<b>5,629,217</b>
Indebtedness at the end of the financial year;				
i) Principal Amount	6,860,751	—	—	6,860,751
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>6,860,751</b>	<b>—</b>	<b>—</b>	<b>6,860,751</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Mrs. S. F. Vakil, Chairperson & Managing Director
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	97,37,099/-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	17,47,035/-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil
2	Stock Option	Nil
3	Sweat Equity	Nil
4	Commission - as % of profit - others, specify...	Nil
5	Others, please specify	Nil
	<b>Total (A)</b>	<b>1,14,84,134/-</b>
	Ceiling as per the Companies Act: Remuneration paid as per Central Government Approval dated 16.12.13 and Special Resolution passed at the AGM dated 31.07.13	

### B. Remuneration to other Directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Non-Executive Directors			Total Amount
<b>1</b>	<b>Independent Directors</b>	<b>Dr. A. M. Naik</b>	<b>Mr. K. D. Patel</b>	<b>Mr. K. M. Elavia</b>	
	a) Fee for attending Board/ Committee meeting	3,60,000/-	3,10,000/-	2,95,000/-	9,65,000/-
	b) Commission	N.A.	N.A.	N.A.	N.A.
	c) Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>3,60,000/-</b>	<b>3,10,000/-</b>	<b>2,95,000/-</b>	<b>9,65,000/-</b>
<b>2</b>	<b>Other Non-Executive Directors</b>	<b>Mr. A. H. Jehangir</b>			
	a. Fee for attending Board/ Committee meetings	2,60,000/-			2,60,000/-
	b. Commission	N.A.			N.A.
	c. Others, please specify	Nil			Nil
	<b>Total (2)</b>	<b>2,60,000/-</b>			<b>2,60,000/-</b>
	<b>Total (B) = (1+2)</b>				<b>12,25,000/-</b>
	<b>Total Managerial Remuneration (A)+(B)</b>				<b>1,27,09,134/-</b>
	Overall Ceiling as per the Act:- 1% of net profits excluding sitting fees paid for attending Board/Committee Meetings.				



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD**

(amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mrs. Kavita Thadeshwar (Company Secretary)	Mr. Nitin Nimkar (Chief Financial Officer)	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19,62,600/-	31,01,200/-	50,63,800/-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	3,853/-	3,853/-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	<b>Total</b>	<b>19,62,600/-</b>	<b>31,05,053/-</b>	<b>50,67,653/-</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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



## ANNEXURE 'D' TO THE DIRECTORS REPORT

**INFORMATION REQUIRED AS PER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2016.**

### Form A & B Report:

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

#### FORM 'A' FOR DISCLOSURE OF CONSERVATION OF ENERGY

#### I. Conservation of Energy:

##### (a) ENERGY CONSERVATION MEASURES TAKEN:

- i. VFD and utility water supply pumps installed for new PPD.
- ii. Hurricane turbo ventilators installed.
- iii. Natural draft jet cooling tower installed in pump house instead of forced draft cooling tower.
- iv. Water audit carried out for conservation of water. ETP Treated water after Bacterial treatment is mixed with fresh MIDC water to conserve water.
- v. Few Batch processes scaled up/modified for saving of process energy and time.

##### (b) ADDITIONAL INVESTMENT PROPOSAL IF ANY, BEING IMPLEMENTED FOR REDUCTION OF ENERGY

- i. Replacement of Road lights with energy efficient LED lights in phased manner.

##### (c) IMPACT OF THE MEASURES AT (a) & (b) ABOVE FOR REDUCTION OF ENERGY CONSERVATION AND CONSEQUENT IMPACT ON THE COST OF PRODUCTION OF GOODS.

The above measures will result in energy, manpower, water saving and consequent reduction in the cost of production.

##### (d) TOTAL ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM A:

Sr. No	Description	2015-16	2014-15
A.	Power and fuel consumption		
	1. ELECTRICITY		
	(a) Purchased		
	Units(KWH)	24,49,466	24,45,368
	Purchased cost of units (₹)	1,91,59,384	1,74,11,560
	Rate per unit purchased	7.82	7.12
	(b) Own generation		
	(i) Through Diesel Generator		
	No of units Generated (KWH)	14,847	14,325
	Diesel Oil consumed (KL)	4.99	5.11
	Cost of Diesel Oil consumed (₹)	2,73,798	2,85,254
	Cost of Diesel/Unit generated (₹)	18.44	19.91
	(ii) Through Steam Turbine Generator	Nil	Nil
	2. COAL USED		
	No of Units consumed (KG)	Nil	Nil
	Purchase cost (₹)	Nil	Nil
	Rate per unit	Nil	Nil
	3. FURNACE OIL		
	Furnace oil consumed (KL)	196.29	95.04
	Cost of Furnace oil consumed (₹)	42,17,849	37,73,260
	Average rate (₹/Lt.)	21.49	39.70

Sr. No	Description	2015-16	2014-15
	<b>4. BIO-FUEL BRIQUETTES</b>		
	Bio fuel briquettes consumed (MT)	<b>2495.79</b>	2749.37
	Cost of B.F. briquettes consumed (₹)	<b>1,52,93,661</b>	1,64,08,866
	Average rate (₹/KG)	<b>6.13</b>	5.97
B	Consumption per unit of production in MT		
	Electricity-KWH/Ton	<b>198.34</b>	215.77
	Furnace Oil -(Lt./ Ton)	<b>907.95</b>	251.85
	Briquettes – (Ton / Ton)	<b>0.20</b>	0.23

**FORM 'B' FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF TECHNOLOGY ABSORPTION****II. RESEARCH & DEVELOPMENT:**

1. Specific areas in which research & development activities were carried out by the company:

- New Products development were taken up for products like new range of Pour Point Depressants, APEO free anionic emulsifier for paint industry, additives for Rayon industry, mercerizing agents for Textile processing, Alkyl Polyglucosides.
- Cost reduction, Process modification and performance improvement of existing PPDs and superplasticizers, and pigment dispersants.

2. Benefits derived from these research and development projects:

- New range of value added pour point depressants are introduced into the export market and could achieve good business volumes.
- The scope of low cost construction chemicals would enhance under the current focus on infrastructure.
- Enhanced business with Rayon industry is anticipated.
- With the improved version of pigment dispersant, scope of increasing the volume of business is enhanced.
- New type of surfactant from renewable resources would open up new applications based on green and value added chemistry
- More APEO free surfactants were added into the current range.

3. The future plan for research & development activities :

R&D would continue to work towards development of greener chemistries, based on value added products, specialty surfactants, pour point depressants for different applications, new products for concrete industry and different grades of alkyl polyglucosides in addition to efforts on process modification and product quality improvement of existing products.

4. Expenditure on R&D during the year

Capital – ₹ 78,565/-

Recurring – ₹ 1,34,51,168/-

Total R&D expenditure as a percentage of turnover: 1.08%

**III. Technology absorption, adaptation and Innovation**

- New products have been developed and existing products have been improved with respect to process and quality.
- Certain new products have been scaled up to higher batch level.
- During last 5 years no technology was imported.

**IV. Foreign Exchange Earning and outgo:**

Foreign Exchange Earned ₹ 422.98 millions

Foreign Exchange used for imports and other remittance ₹ 138.89 millions



## CORPORATE GOVERNANCE REPORT

The following Corporate Governance Report is attached as a part of the Directors' Report of the Company for the year 2015-16.

### CORPORATE GOVERNANCE DISCLOSURE

In compliance with Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and practice as followed by Company:

#### 1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Since its inception, the company has been founded on moral and ethical codes that strongly emphasize total transparency and complete value based governance. The Company understands that Corporate Governance is a combination of voluntary practices and full compliance with laws and regulations leading to effective control and management of the organization. Good corporate governance leads to long term shareholder value and enhances interest of stakeholders. The Company continues to place uncompromising emphasis on integrity and regulatory compliances. The company is committed to providing high quality products and services to its customers and stakeholders.

#### 2. BOARD OF DIRECTORS:

The Board of Directors consists of 5 (five) Directors. The Board comprises of a Managing Director and four Non- Executive Directors. Out of four Non-Executive Directors, three members are Independent Directors. The Managing Director is a Woman Director. The Board's composition is in conformity with the provisions of Companies Act, 2013 as well as Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange.

During the financial year under review 5 (five) Board Meetings were held on 5th May, 2015, 31st July, 2015, 3rd November, 2015, 29th January, 2016 and 16th March, 2016.

Attendance of each Director at the Board meetings and last Annual General Meeting and number of other Directorships and Chairmanships/ Memberships of Committee of each Director in various companies:

Name of Director	Category*	Designation	Board meetings Attended	Attendance at last AGM	No. of Directorships in other Boards#	No. of Chairmanship/ Membership in other Board Committees\$
Mrs. S. F. Vakil (Promoter)	E.D	Chairperson & Managing Director	5	Yes	2	Nil
Mr. A.H. Jehangir (Promoter)	N.E.D	Director	5	Yes	Nil	Nil
Mr. K.D. Patel	I. & N.E.D	Director	4	Yes	2	3/0
Dr. A.M. Naik	I. & N.E.D	Director	5	Yes	2	1/1
Mr. K. M. Elavia	I. & N.E.D	Director	4	Yes	9	5/4

\* E.D. – Executive Director, N.E.D. – Non – Executive Director, I. – Independent

# The Directorships held by Directors as mentioned above, do not include Alternate Directorships, Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies.

\$ Chairmanships/ Memberships of Audit Committees and Stakeholders Relationship Committees of all other public limited companies have been considered.

No Directors of the Company are inter-related among each other.

Details of familiarization of Independent Directors with the working of the Company are available on the website of the Company and can be accessed through web link (<http://www.dai-ichiindia.com/investor/Familirsation%20Programme%20for%20ID's.pdf>)

#### 3. BOARD COMMITTEES:

The Company follows procedures & practices in conformity with the Code of Corporate Governance. In keeping with the spirit of the Code, the Board had constituted the following committees:

**(i) Audit Committee:**

The terms of reference cover the matters specified for Audit Committee under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as in Section 177 of the Companies Act, 2013.

The Audit Committee comprises of Mr. K. D. Patel as Chairman, Dr. A. M. Naik and Mr. K.M. Elavia as members.

During the financial year under review, four(4) Audit Committee Meetings were held on 5th May, 2015, 31st July, 2015, 3rd November, 2015 and 29th January, 2016.

The attendance at the Audit Committee Meetings is as under:

Name of the Director	No. of meetings attended
1. Mr. K. D. Patel	4
2. Dr. A. M. Naik	4
3. Mr. K. M. Elavia	3

The statutory auditors and the internal auditors of the Company are invited to join the Audit Committee Meetings. The Company Secretary acts as Secretary to the Committee.

**(ii) Stakeholders Relationship Committee:**

The Stakeholders Relationship Committee consists of Mr. A. H. Jehangir as Chairman, Mrs. S F. Vakil, Dr. A.M. Naik as members. The Committee approves share transfers, transmissions, issue of duplicate share certificates; consolidation/ split of share certificates, approval of demat position and matters related to Investors Grievances as and when received. During the year under review, 1 complaint was received from the shareholder, which has been attended/ resolved. There is no pending investor grievance as on March 31, 2016. The Committee holds fortnightly meetings. Mrs. Kavita Thadeshwar, Company Secretary acts as Secretary to the Committee.

**(iii) Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee comprises of Mr. K. D. Patel as Chairman, Dr. A. M. Naik, Mr. K.M. Elavia and Mrs. S.F. Vakil as Members. The terms of reference cover the matters specified for Nomination and Remuneration Committee under Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013. During the financial year under review, one committee meeting was held on 5th May, 2015. All members have attended the meeting. The policy which was approved and adopted by the Board of Directors is uploaded on the Company's website at the following link: (<http://www.dai-ichiindia.com/investor/NRC%20Policy.pdf>)

**(iv) Corporate Social Responsibility (CSR) Committee:**

The Company has constituted the Corporate Social Responsibility Committee as mandated by Section 135 of the Companies Act, 2013. The Committee comprises of Mr. K.M. Elavia as Chairman, Mr. A.H. Jehangir and Mrs. S.F.Vakil as members. The terms of reference cover the matters specified under section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014 and other relevant provisions. During the financial year under review, there was one Committee meeting held on 5th May, 2015. The policy which was approved and adopted by the Board of Directors has been uploaded on the Company's website at the following link: <http://www.dai-ichiindia.com/investor/CSR%20Policy.pdf>

**(v) Meeting of Independent Directors:**

As mandated by the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, a separate meeting of Independent Directors was held on 14th May, 2016 for annual evaluation of the following;

- the performance of non-independent directors and the Board of directors as a whole;
- the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- the quality, quantity and timeliness of flow of information between the company management and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.

The Board of Directors also evaluated performance of the Board, the Committees and Independent Directors (without participation of the relevant director).



The overall outcome of the meeting was that the Board and its individual directors are performing effectively. The Board is well comprised; Directors' skill / expertise provide significant contribution to the Board's discussions and deliberations. The Board encourages implementation of the best corporate governance practices. The quality and quantum of Financial Information provided to the Board is accurate and adequate.

#### 4. REMUNERATION PAID TO DIRECTOR OF THE COMPANY:

##### a) Executive Directors :

There is only one Executive Director on the Board, i.e. Chairperson and Managing Director - Mrs. S. F. Vakil. Remuneration paid during the year includes Salary amounting to ₹ 54,37,500/- perquisites amounting to ₹ 34,10,908/- and performance incentive amounting to ₹ 19,37,500/-. The remuneration excludes provision for gratuity and leave encashment, which are done based on actuarial value for Company as a whole.

##### b) Non-Executive Directors:

The sitting fees paid to the Directors during the year under review are as under:

Name of Directors	Fees for Board meeting (in ₹)	Fees for other Committees (in ₹)
Mr. A. H. Jehangir	2,50,000/-	10,000/-
Dr. A. M. Naik	2,50,000/-	1,10,000/-
Mr. K. D. Patel	2,00,000/-	1,10,000/-
Mr. K. M. Elavia	2,00,000/-	95,000/-

#### 5. a) GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

Financial year	Date	Time	Location
2012 - 2013	31.07.2013	11.30 a.m.	M.C. Ghia Hall, Mumbai
2013 - 2014	08.08.2014	11.30 a.m.	M.C. Ghia Hall, Mumbai
2014 - 2015	31.07.2015	12.00 p.m.	M.C. Ghia Hall, Mumbai

#### Special resolution passed at the last three Annual General Meeting:

Date of AGM	Purpose
31.07.2013	Re-appointment of Mrs. S. F. Vakil as Chairperson and Managing Director.

##### b) i) Postal ballot:

No resolution was required to be passed by means of postal ballot during the financial year under review.

##### ii) Proposed resolutions to be passed through Postal Ballot:

Pursuant to the provisions of Section 110 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirement) Regulation 2015, the Board of Directors at their meeting held on May 14, 2016, proposed the following resolutions to be passed by way of Postal Ballot;

1. Special Resolution under Section 180 (1)(c) of the Companies Act, 2013 to borrow an amount which may exceed the aggregate of the paid up capital of the Company and its free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 150 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.
2. Special Resolution under Section 180 (1)(a) of the Companies Act, 2013 to create charge/mortgage/ hypothecation/ lien/pledge on the movable/ immovable property of the Company, provided that the total amount, shall not, at any time exceed ₹ 150 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

The results of the above resolutions were to be declared on or before 4th July, 2016.

**6. RELATED PARTY TRANSACTIONS:**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year, were under ordinary course of business and on an arm's length basis.

Details of Related Party Transactions are disclosed in the notes to the financial statements. The policy approved and adopted by the Board of Directors has been uploaded on the Company's website at the following link: <http://www.dai-ichiindia.com/investor/RPT%20Policy.pdf>

**7. MEANS OF COMMUNICATION:**

- a. Quarterly results are taken on record by the Board of Directors and submitted to the stock exchange in terms of the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b. Quarterly results have been published in Free Press Journal and Nav Shakti.
- c. Website of the company is [www.dai-ichiindia.com](http://www.dai-ichiindia.com)
- d. Exclusive email id for investor correspondence/grievance redressal is [investor@dai-ichiindia.com](mailto:investor@dai-ichiindia.com)
- e. No presentations have been made to institutional investors or to analysts.
- f. The Management Discussion and Analysis Report forms part of Directors' Report.

**8. GENERAL SHAREHOLDER INFORMATION:****A. Annual General Meeting:**

Date, Time and Venue:	4th August, 2016 at 11.30 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th floor, 18/20 Kaikhushru Dubash Marg, Mumbai - 400 001.
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**B. Financial Calendar (tentative):**

Financial Year:	1st April 2016 to 31st March 2017
First Quarter Results:	Second week of August, 2016
Half Yearly Results:	Second week of November, 2016
Third Quarter Results:	Second week of February, 2017
Audited results for the year ending 31st March, 2017:	Third week of May, 2017

<b>C. Date of Book Closure</b>	28th July, 2016 to 4th August, 2016
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**D. Listing on Stock Exchanges**

BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001

Payment of Annual Listing Fee:	The Company has paid the annual listing fees for the financial year 2016-17
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**E. Stock Code -**

Demat ISIN Number for NSDL & CDSL	DAI ICH KARK INE928C01010
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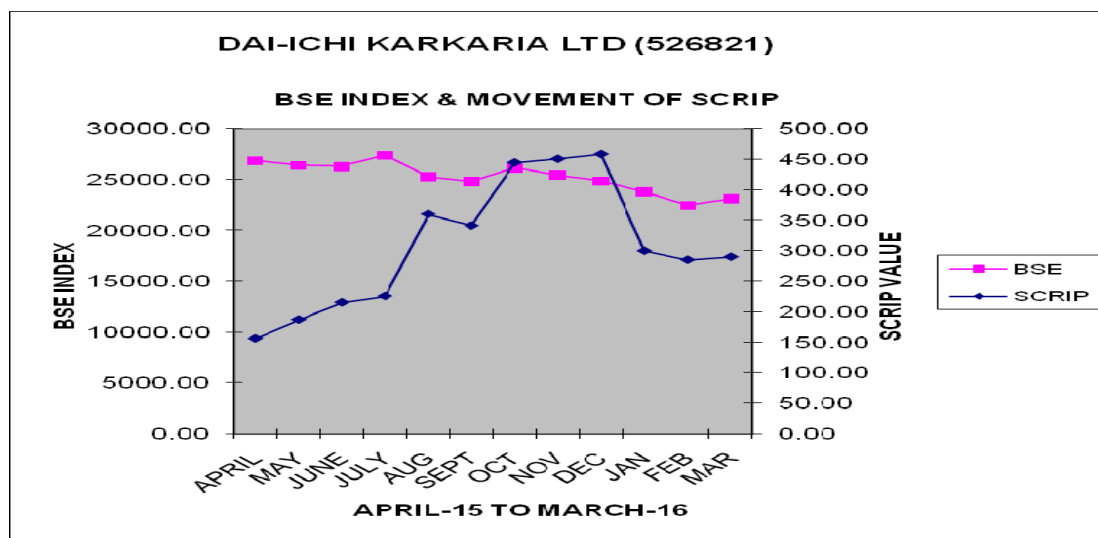


#### F. Market Price Data:

High/Low Share price of the Company during the last financial year on the BSE Ltd. (Face value ₹ 10/-)

Month	High (₹)	Low (₹)
April 2015	261.90	156.00
May 2015	252.80	187.00
June 2015	267.80	215.40
July 2015	364.90	226.00
August 2015	540.50	360.30
September 2015	438.90	341.20
October 2015	554.30	445.00
November 2015	561.40	451.10
December 2015	522.20	459.00
January 2016	492.00	300.00
February 2016	395.00	285.00
March 2016	394.00	290.00

#### G. Stock performance:



#### H. Registrar and Share Transfer Agents:

Registrars & Transfer Agents

Sharex Dynamic (India) Pvt. Ltd.  
Unit-1, Luthra Ind.Premises,  
Andheri Kurla Road, Safed Pool,  
Andheri (E), Mumbai - 400 072.

Persons to contact

Mr. Adi Patel/Mr. Sasikumar

Telephone No.

28515606/28515644

E-mail address:

sharexindia@vsnl.com

#### I. Share Transfer System:

The Company follows a fortnightly cycle for processing and updating share transfers. The share transfer register and demat reports are approved by share transfer committee.

**J. Distribution of Shareholding as on 31st March, 2016:**

No. of shares slab	Number of shareholders	(%)	Number of shares	(%)
upto to 100	3148	61.64	207678	2.79
101 to 200	798	15.63	146714	1.97
201 to 500	639	12.51	242645	3.26
501 to 1000	232	4.54	182760	2.45
1001 to 5000	224	4.39	503508	6.76
5001 to 10000	29	0.57	221092	2.97
10001 to 100000	30	0.59	891183	11.96
100001 to above	7	0.14	5055649	67.85
<b>TOTAL</b>	<b>5107</b>	<b>100</b>	<b>7451229</b>	<b>100</b>

**K. SHAREHOLDING PATTERN AS ON 31st March, 2016:**

Categories of Shareholders		No. of shares held	%
<b>A</b>	<b>Promoters Holding</b>		
	Indian Promoters	4745639	63.69
	Foreign Promoters	Nil	Nil
	Persons acting in concert	Nil	Nil
	Sub Total	4745639	63.69
<b>B</b>	<b>Non-Promoters Holding</b>		
	Institutional Investors:		
	(i) Mutual Funds and UTI	1600	0.02
	(ii) Banks, Financial Institutions, Insurance Companies	Nil	Nil
	(iii) FIs	Nil	Nil
	Sub Total	1600	0.02
	Others:		
	(i) Private Corporate Bodies	365211	4.90
	(ii) Indian Public	2198336	29.50
	(iii) NRIs/OCBs	92060	1.24
	(iv) Any other (clearing members)	48383	0.65
	Sub Total	2703990	36.29
	<b>GRAND TOTAL</b>	<b>7451229</b>	<b>100.00</b>

**L. Dematerialisation of shares:**

As on 31st March 2016, 72,27,652 equity shares representing 96.99% of the paid-up Share Capital is held in dematerialized form. Transaction in the equity shares of the company is permitted only in dematerialized form as per notification issued by SEBI.

**M. Plant locations:**

105th Milestone, Mumbai Pune Road,  
P. O. Kasarwadi Pune 411 034

Kurkumbh Industrial Area, Plot No.D13  
Village Kurkumbh, Tal Daund,  
Dist Pune



**N. Address for correspondence:**

For information on share transactions in electronic form and physical form and general correspondence:

Sharex Dynamic (India) Pvt.Ltd. at  
Unit-1, Luthra Ind.Premises,  
Andheri Kurla Road, Safed Pool,  
Andheri (E), Mumbai - 400 072.  
Tel: 2851 5606/2851 5644  
Fax: 2851 2885  
E-mail:sharexindia@vsnl.com

Compliance Officer of the Company is  
Mrs. Kavita Thadeshwar (Company Secretary)

**9. DISCLOSURES:**

- There were no materially significant related party transactions that may have potential conflict with the interest of the Company.
- There were no instances of non-compliance nor have any penalties, strictures been imposed by stock exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.
- The Company has a Vigil Mechanism / Whistle Blower Policy. No personnel have been denied access to the audit committee to lodge their grievances. The policy is uploaded on the website of the Company at the following link: <http://www.dai-ichiindia.com/investor/Vigil%20Mechanism%20Policy.pdf>
- The Company has in place a Risk Management Policy which identifies elements of risk and the measures to counter it. The policy is reviewed by the Board every year, at the first Board Meeting held after the commencement of the financial year.
- All mandatory requirements are complied with.

**10. CODE OF CONDUCT:**

During the financial year under review, the Board of Directors has adopted the Code of Conduct for Directors and Senior Management. The Code has also been posted on the Company's website at the following link: <http://www.dai-ichiindia.com/investor/Code%20of%20Conduct.pdf>. The said Code has been communicated to the Directors and the Members of the Senior Management and they have also affirmed the compliance thereto.

Sd/-  
Chairperson and  
Managing Director

**11. CERTIFICATE ON CORPORATE GOVERNANCE:**

The Company has obtained a certificate from Practising Company Secretary confirming compliances with conditions of Corporate Governance as stipulated in the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
Dai-ichi Karkaria Limited.

We have examined the compliance of conditions of Corporate Governance by Dai-ichi Karkaria Limited, for the year ended on March 31, 2016, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges.

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has in all material respect complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulation.

We further 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 Kaushik M. Jhaveri & Co.,**

Kaushik Jhaveri  
Practicing Company Secretary  
FCS No. 4254  
COP. 2592

Place: Mumbai  
Date: 14th May, 2016



## INDEPENDENT AUDITOR'S REPORT

TO  
THE MEMBERS OF  
DAI-ICHI KARKARIA LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **DAI-ICHI KARKARIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 29.1 (i) (a) 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**K. A. Katki**  
Partner  
(Membership No. 038568)

Place : Mumbai  
Date : 14 May, 2016



## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

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

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Dai-ichi Karkaria Limited (“the Company”) as of 31 March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**K. A. Katki**

Partner  
(Membership No. 038568)

Place : Mumbai

Date : 14 May, 2016



## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties of land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of making investments and providing guarantees and securities, as applicable. The Company has not granted any loans.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for chemicals. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31 March, 2016 for a period of more than six months from the date they became payable.

- c. Details of dues of Income-tax, Sales Tax, Service Tax and Value Added Tax which have not been deposited as on 31 March, 2016 on account of disputes are given below:

Name of the Statute	Nature of dues	Period to which the amount relates	Forum where the dispute is pending	Amount (₹)
Income tax Act, 1961	Income Tax	A.Y. 2006-2007	ITAT	65,68,800
Income tax Act, 1961	Income Tax	A.Y. 2007-2008	DCIT	9,72,275
Income tax Act, 1961	Income Tax	A.Y. 2008-2009	DCIT	25,99,294
Income tax Act, 1961	Income Tax	A.Y. 2009-2010	ITAT	2,49,84,136
Income tax Act, 1961	Income Tax	A.Y. 2009-2010	CIT(A)	2,39,43,546
Income tax Act, 1961	Income Tax	A.Y. 2010-2011	CIT(A)	26,74,861
Income tax Act, 1961	Income Tax	A.Y. 2011-2012	CIT(A)	18,83,760
Income tax Act, 1961	Income Tax	A.Y. 2012-2013	CIT(A)	31,19,907
Income tax Act, 1961	Income Tax	A.Y. 2013-2014	CIT(A)	19,78,861
Maharashtra Value Added Tax Act, 2002	Value Added Tax	F.Y. 2008-09	DCST	14,94,908
Central Sales Tax Act, 1956	Central Sales Tax	F.Y. 2008-09	DCST	62,38,165
Central Sales Tax Act, 1956	Central Sales Tax	F.Y. 2010-11	Jt. CST (A)	1,65,270
Service Tax	Service Tax	F.Y. 2008-09 to F.Y. 2011-12	Addl. Commissioner Central Excise & Service Tax	60,44,592

There are no dues of Customs Duty, Excise Duty and Cess which have not been deposited as on 31 March, 2016 on account of disputes.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of subsidiary company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable. Company does not have a holding or an associate company.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**K. A. Katki**  
Partner  
(Membership No. 038568)

Place : Mumbai  
Date : 14 May, 2016



## Balance Sheet as at 31 March, 2016

Particulars	Note No.	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital .....	3	7,45,12,290	7,45,12,290
(b) Reserves and surplus .....	4	95,50,89,552	82,62,37,835
		<b>1,02,96,01,842</b>	90,07,50,125
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings .....	5	95,82,005	74,56,988
(b) Long-term provisions .....	6	1,31,95,793	1,63,46,642
		<b>2,27,77,798</b>	2,38,03,630
<b>3 Current liabilities</b>			
(a) Trade payables	7		
i) Total outstanding dues of Micro Enterprises and Small Enterprises .....		—	3,33,380
ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises .....		10,18,05,075	9,99,72,589
(b) Other current liabilities .....	8	2,13,45,137	2,68,43,012
(c) Short-term provisions .....	9	1,31,00,913	2,74,08,611
		<b>13,62,51,125</b>	15,45,57,592
<b>TOTAL</b>		<b>1,18,86,30,765</b>	1,07,91,11,347
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets .....		15,52,95,865	13,96,70,005
(ii) Intangible assets .....		46,422	48,210
(iii) Capital work-in-progress .....		13,94,85,598	5,63,79,174
		<b>29,48,27,885</b>	19,60,97,389
(b) Non-current investments .....	11	2,47,81,538	2,93,46,038
(c) Deferred tax assets .....	12	1,28,77,073	1,18,89,223
(d) Long-term loans and advances .....	13	5,52,05,432	5,27,37,182
		<b>9,28,64,043</b>	9,39,72,443
		<b>38,76,91,928</b>	29,00,69,832
<b>2 Current assets</b>			
(a) Current investments .....	14	37,90,53,494	39,23,36,223
(b) Inventories .....	15	12,44,18,187	11,63,14,572
(c) Trade receivables .....	16	18,37,33,574	18,21,95,254
(d) Cash and cash equivalents .....	17	6,87,17,593	6,80,16,160
(e) Short-term loans and advances .....	18	4,40,23,892	2,93,34,340
(f) Other current assets .....	19	9,92,097	8,44,966
		<b>80,09,38,837</b>	78,90,41,515
<b>TOTAL</b>		<b>1,18,86,30,765</b>	1,07,91,11,347

The accompanying notes are an integral part of the financial statements

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**K. A. Katki**  
Partner  
Place : Mumbai  
Date : May 14, 2016

For and on behalf of the Board of Directors  
**S. F. Vakil**                      Chairperson and Managing Director  
**Kavas Patel**                      Director  
**Adi Jehangir**                      Director  
**Keki Elavia**                      Director  
**Anil Naik**                      Director  
**Nitin Nimkar**                      Chief Financial Officer  
**Kavita Thadeshwar**                      Company Secretary

**Statement of Profit and Loss for the year ended 31 March, 2016**

Particulars	Note No.	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>1 Revenue from operations (gross) .....</b>	20	<b>1,24,94,07,673</b>	1,11,66,27,946
Less: Excise duty .....		<b>8,61,00,724</b>	9,39,31,077
Revenue from operations (net) .....		<b>1,16,33,06,949</b>	1,02,26,96,869
<b>2 Other income .....</b>	21	<b>9,03,37,636</b>	7,87,24,632
<b>3 Total revenue (1+2) .....</b>		<b>1,25,36,44,585</b>	1,10,14,21,501
<b>4 Expenses</b>			
(a) Cost of materials consumed .....	22	<b>71,98,19,327</b>	68,92,59,694
(b) Changes in inventories of finished goods, work-in-progress .....	23	<b>1,91,659</b>	(1,66,60,069)
(c) Employee benefits expenses .....	24	<b>13,01,22,813</b>	11,94,05,159
(d) Finance costs .....	25	<b>45,79,683</b>	9,25,793
(e) Depreciation and amortisation expense .....	28	<b>2,08,66,733</b>	4,31,86,883
(f) Other expenses .....	26	<b>16,65,28,451</b>	14,97,53,538
<b>Total Expenses</b>		<b>1,04,21,08,666</b>	98,58,70,998
<b>5 Profit before Tax and Exceptional item .....</b>		<b>21,15,35,919</b>	11,55,50,503
<b>6 Exceptional item :</b>			
Profit on sale of long term investment .....	29.9	—	7,45,22,823
<b>7 Profit before Tax</b>		<b>21,15,35,919</b>	19,00,73,326
<b>8 Tax expense/(benefit) :</b>			
(a) Current Tax .....	27	<b>5,67,00,000</b>	4,99,00,000
(b) Deferred Tax .....	27	<b>(9,87,850)</b>	(76,37,794)
<b>Net tax expense</b>		<b>5,57,12,150</b>	4,22,62,206
<b>9 Profit for the year .....</b>		<b>15,58,23,769</b>	14,78,11,120
Earnings per Equity Share basic and diluted (of ₹ 10/- each)	33.2	<b>20.91</b>	19.84

The accompanying notes are an integral part of the financial statements

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**K. A. Katki**  
Partner  
Place : Mumbai  
Date : May 14, 2016

For and on behalf of the Board of Directors  
**S. F. Vakil**                      Chairperson and Managing Director  
**Kavas Patel**                      Director  
**Adi Jehangir**                      Director  
**Keki Elavia**                      Director  
**Anil Naik**                      Director  
**Nitin Nimkar**                      Chief Financial Officer  
**Kavita Thadeshwar**                      Company Secretary



## Cash Flow Statement for the year ended 31 March, 2016

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>A. Cash flow from operating activities</b>		
<b>Net Profit before tax .....</b>	<b>21,15,35,919</b>	19,00,73,326
Adjustments for:		
Depreciation and amortisation expense .....	<b>2,08,66,733</b>	4,31,86,883
Provision / (Reversal) for doubtful trade and other receivables .....	<b>(5,93,793)</b>	3,19,411
Adjustments to the carrying amount of investments .....	<b>(16,399)</b>	16,399
Bad trade and other receivables, loans & advances written off .....	<b>12,11,441</b>	4,636
Interest income .....	<b>(37,00,096)</b>	(85,09,904)
Dividend income .....	<b>(5,86,47,744)</b>	(2,33,73,826)
Profit on sale of Fixed Assets .....	<b>(12,32,306)</b>	(1,55,94,171)
Profit on sale of investments .....	<b>(70,16,645)</b>	(8,73,52,217)
Liabilities no longer required written back .....	<b>(3,20,247)</b>	(2,57,756)
Rent income .....	<b>(1,21,52,790)</b>	(1,44,79,920)
Finance costs .....	<b>45,79,683</b>	9,25,793
<b>Operating profit before working capital changes .....</b>	<b>15,45,13,756</b>	8,49,58,654
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories .....	<b>(81,03,615)</b>	(1,18,14,647)
Trade receivables .....	<b>(21,55,968)</b>	1,91,93,667
Short-term loans and advances .....	<b>(1,46,89,552)</b>	(29,74,460)
Long-term loans and advances .....	<b>(38,12,995)</b>	76,893
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables .....	<b>18,19,353</b>	(2,27,23,558)
Other current liabilities .....	<b>(68,27,830)</b>	(15,97,292)
Other long-term liabilities .....	—	(80,49,132)
Short-term provisions .....	<b>80,44,909</b>	1,46,735
Long-term provisions .....	<b>(31,50,849)</b>	54,25,633
	<b>(2,88,76,547)</b>	(2,23,16,161)
<b>Cash generated from operations .....</b>	<b>12,56,37,209</b>	6,26,42,493
Net income tax paid .....	<b>(5,83,16,540)</b>	(4,77,96,658)
<b>Net cash flow from operating activities (A) .....</b>	<b>6,73,20,669</b>	1,48,45,835
<b>B. Cash flow from investing activities</b>		
Additions to fixed assets .....	<b>(11,66,35,936)</b>	(2,26,29,301)
Sale proceeds of fixed assets .....	—	37,333
Movement in earmarked accounts - unpaid dividend accounts* .....	<b>(1,09,92,924)</b>	(16,70,452)
Current investments not considered as Cash and cash equivalents :		
- Purchased .....	<b>(4,20,50,224)</b>	(29,44,39,326)
- Proceeds from sale .....	<b>6,23,65,999</b>	18,25,51,317
Proceeds from sale of long-term investments .....	<b>45,64,500</b>	8,97,15,130
Compensation received for Kasarwadi Land .....	<b>12,32,306</b>	1,87,39,914
Interest received .....	<b>35,52,965</b>	90,64,407
Dividend received .....	<b>5,86,47,744</b>	2,33,73,826
Rent income .....	<b>1,21,52,790</b>	1,44,79,920
<b>Net cash flow (used in) / from investing activities (B) .....</b>	<b>(2,71,62,780)</b>	1,92,22,768

\* Note- These earmarked balances with bank can be utilized only for specific identified purposes

**Cash Flow Statement for the year ended 31 March, 2016 (Contd.)**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>C. Cash flow from financing activities</b>		
Repayment of sales tax deferral .....	(20,07,558)	—
Receipt of Term loan .....	61,13,688	—
Repayment of Term Loan .....	(15,30,302)	(12,36,415)
Repayment of fixed deposits .....	(20,000)	(25,000)
Finance costs .....	(45,79,683)	(9,25,793)
Dividend paid .....	(4,00,82,626)	(1,83,74,870)
Tax on dividend .....	(83,42,899)	(31,65,841)
<b>Net cash flow used in financing activities (C) .....</b>	<b>(5,04,49,380)</b>	<b>(2,37,27,919)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C) .....</b>	<b>(1,02,91,491)</b>	<b>1,03,40,684</b>
 Cash and cash equivalent at the beginning of the year .....	 4,73,69,624	 3,70,28,940
Cash and cash equivalent at the end of the year .....	3,70,78,133	4,73,69,624
<b>Net increase/ (decrease) in cash or cash equivalents .....</b>	<b>(1,02,91,491)</b>	<b>1,03,40,684</b>
 <b>Cash and Cash equivalents at the end of the year comprise</b>	 <b>For the year ended 31 March, 2016</b>	 <b>For the year ended 31 March, 2015</b>
a) Cash on hand .....	42,075	65,098
b) Balances with banks .....		
(i) in current accounts .....	3,70,36,058	2,73,04,526
(ii) in other deposit accounts having maturity of less than 3 months .....	—	2,00,00,000
<b>Total Cash and Cash equivalents (refer note no.17) .....</b>	<b>3,70,78,133</b>	<b>4,73,69,624</b>
The accompanying notes are an integral part of the financial statements		

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**K. A. Katki**  
Partner

Place : Mumbai

Date : May 14, 2016

For and on behalf of the Board of Directors

**S. F. Vakil**

Chairperson and Managing Director

**Kavas Patel**

Director

**Adi Jehangir**

Director

**Keki Elavia**

Director

**Anil Naik**

Director

**Nitin Nimkar**

Chief Financial Officer

**Kavita Thadeshwar**

Company Secretary





## Notes forming part of the Financial Statements

### 1 CORPORATE INFORMATION

Dai-ichi Karkaria Ltd. ("DIKL") / ("the Company") was incorporated on 13th May, 1960 under the laws of the Republic of India and has its registered office at Mumbai (Maharashtra). DIKL is engaged in manufacturing of Specialty Chemicals. The Company has a joint venture with CTI Chemicals Asia Pacific Pte. Ltd., Singapore.

The manufacturing activities of the Company are carried out from its plants located at Kasarwadi and Kurkumbh., Pune (Maharashtra)

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of accounting and preparation of financial statements

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles (GAAP) and applicable Accounting Standards notified under Accounting Standards specified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets at Kasarwadi Plant as on 1 April 1993, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### 2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### 2.3 Inventories

Inventories are valued at lower of cost and net realizable value, on the weighted average basis. Work in progress, Semi finished goods and Finished goods are valued on absorption costing basis. Due allowance is made for slow moving and obsolete stocks.

#### 2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

#### 2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### 2.6 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Asset costing ₹ 5,000/- or less are fully depreciated in the year of purchase.

Depreciation on fixed assets has been provided on written down value method for assets at Kasarwadi, Pune and HO and on the straight-line method for fixed assets at Kurkumbh, Pune as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Depreciation on certain assets located at Kasarwadi acquired prior to April 1, 1993 which are stated at revalued amounts and for which incremental depreciation which was hitherto adjusted out of revaluation reserve, has with effect from previous financial year, pursuant to the enactment of 2013 Act, been depreciated in full without any such adjustment out of revaluation reserve.

Intangible assets are amortised over their estimated useful life on written down value method.

Lease/hold land is amortised over the duration of the lease.

## 2.7 Revenue recognition

### Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

## 2.8 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive is established.

## 2.9 Fixed Assets (Tangible / Intangible)

Fixed assets, except Free Hold Land and certain assets located at Kasarwadi plant, are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration.

The Company revalued certain assets located at Kasarwadi plant as on 1 April, 1993. The revalued assets are carried at the revalued amounts less accumulated depreciation until March 31, 2014 and impairment losses, if any. Increase in the net book value on such revaluation was credited to "Revaluation reserve account" except to the extent such increase is related to and not greater than a decrease arising from a revaluation / impairment that was previously recognised in the statement of Profit & Loss in which case such amount is credited to the statement of Profit & Loss. Decrease in book value on revaluation is charged to statement of Profit & Loss except where such decrease relates to a previously recognised increase that was credited to the revaluation reserve, in which case the decrease is charged to the revaluation reserve to the extent the reserve has not been subsequently reversed or utilised.

### Capital work-in-progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

## 2.10 Foreign currency transactions and translations

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Year end balance of monetary items is restated at closing rates. Exchange difference arising on restatement or settlement is charged to Statement of Profit and Loss. Non-monetary items of the Company are carried at historical cost. Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

## 2.11 Export incentives

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

## 2.12 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.



## 2.13 Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

### Defined contribution plans

The Company's contributions to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employee.

### Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

### Long term Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date

## 2.14 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

## 2.15 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

## 2.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

## 2.17 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

### **2.18 Research and development expenses**

All revenue expenditure is charged to Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

### **2.19 Impairment of assets**

The carrying amounts of tangible fixed assets are reviewed for impairment if events or changes in the circumstances indicate that the carrying value of the asset may not be recoverable. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Whenever the carrying value of an asset exceeds its recoverable amount, impairment is charged to statement of profit and loss.

### **2.20 Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

### **2.21 Service tax input credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

### **2.22 Proposed Dividend**

Proposed dividend as at the year end (including corporate dividend tax thereon), is provided for if recommended by the Board, and is subject to approval of members.

### **2.23 Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



## Notes forming part of the Financial Statements

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	₹	Number of shares	₹
<b>Note 3 : Share Capital</b>				
(A) Authorised	<b>1,00,00,000</b>	<b>1,00,000,000</b>	1,00,00,000	10,00,00,000
Equity shares of ₹ 10/- each with voting rights				
(B) Issued, Subscribed and fully paid	<b>74,51,229</b>	<b>7,45,12,290</b>	74,51,229	7,45,12,290
Equity shares of ₹ 10/- each with voting rights				
<b>Total</b>	<b>74,51,229</b>	<b>7,45,12,290</b>	74,51,229	7,45,12,290

(C) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period

	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	₹	Number of shares	₹
<b>Equity shares</b>				
Opening balance	<b>74,51,229</b>	<b>7,45,12,290</b>	74,51,229	7,45,12,290
Add / (Less) : Equity shares issued / bought back during the year	—	—	—	—
Closing balance	<b>74,51,229</b>	<b>7,45,12,290</b>	74,51,229	7,45,12,290

(D) Details of equity shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares held	% holding	Number of shares	% holding
Equity shares with voting rights				
Mrs. S. F. Vakil *	<b>37,67,963</b>	<b>50.57</b>	9,98,390	13.40
Mrs. S. F. Vakil jointly with Mr. F. D. Neterwala and Mrs. P. R. Mehta *	—	—	4,92,240	6.61
Mrs. P. R. Mehta jointly with Mrs. S. F. Vakil and Mr. F. D. Neterwala *	—	—	16,87,500	22.65

\* During the year, Pursuant to family settlement amongst the promoters and their immediate relatives, Chairperson & Managing Director has acquired an additional shareholding of 37.17% by way of interse transfer/transmission. There is no change in promoters shareholding as at the year end as a result of above.

(E) There were no equity shares allotted as fully paid up pursuant to contracts without payment received in cash, there were no bonus shares allotted and there were no equity shares bought back, during the period of 5 years immediately preceding the Balance Sheet date.

(F) The Company has one class of equity shares having par value of ₹ 10/- per share. The dividend proposed by the Board of Directors is subject to the approval of the members at the ensuing AGM of the company, except in case of interim dividend which is paid as and when declared by the Board of Directors.

In the event of liquidation of the Company, equity shareholders 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 share held by the shareholders.

**Notes forming part of the Financial Statements**

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 4 : Reserves and Surplus</b>		
(a) Capital reserve		
Balance as at the beginning and end of the year .....	77,10,000	77,10,000
(b) Capital redemption reserve		
Balance as at the beginning and end of the year .....	15,51,710	15,51,710
(c) Securities premium account		
Balance as at the beginning and end of the year .....	25,94,37,591	25,94,37,591
(d) Revaluation reserve		
Balance as at the beginning and end of the year .....	3,54,25,307	3,54,25,307
(e) General reserve		
Balance as at the beginning and end of the year .....	5,19,29,482	5,19,29,482
(f) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year .....	47,01,83,745	34,47,25,232
Add: Profit for the year	15,58,23,769	14,78,11,120
	62,60,07,514	49,25,36,352
Less : Interim Dividend to equity shareholders ₹ 3.00 per share (Previous Year ₹ Nil) .....	2,23,53,687	—
Dividend proposed to be distributed to equity shareholder ₹ Nil per share (Previous year ₹ 2.50 per share) .....	—	1,86,28,073
Tax on dividend .....	45,50,670	37,24,534
Tax on dividend pertaining to earlier year .....	67,695	—
	2,69,72,052	2,23,52,607
Balance as at the end of the year .....	59,90,35,462	47,01,83,745
<b>Total</b>	<b>95,50,89,552</b>	<b>82,62,37,835</b>

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 5 : Long-term borrowings</b>		
(a) Term loans from banks - Secured (refer Note (i) below) .....	—	68,968
(b) Term loans from others - Secured (refer Note (i) below) .....	43,67,481	—
(c) Deferred sales tax liability - Unsecured (refer Note (ii) below) .....	52,14,524	73,88,020
<b>Total</b>	<b>95,82,005</b>	<b>74,56,988</b>



### Notes forming part of the Financial Statements

Note (i) The term loans are secured against hypothecation of the vehicles purchased under the loans and are payable in equated monthly installments (EMI) detailed as under :

Name of lender	Original Loan amount ₹	Rate of Interest %	EMI Amount ₹	Total Nos. of EMI	Outstanding EMI
HDFC Bank Ltd.	4,61,000	12.50%	10,268	60	8
Kotak Mahindra Prime Ltd.	13,00,000	9.50%	32,656	48	47
Daimler Financial Services Pvt. Ltd.	48,13,688	9.25%	1,19,476	48	45

Note (ii) Under the package scheme of incentive for industries in backward area, the Company has been sanctioned deferral of payment of sales tax collection for a period of 74 months commencing August 1, 2000 up-to an amount of ₹ 4,84,42,000 for the Kurkumbh unit at Pune. The deferred amount is recognized as long term borrowing and is unsecured, interest free and payable after a moratorium period of 10 years in 5 yearly equal installments which commence from year 2011.

The deferred sales tax liability is payable in annual installments as below:

Year	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
2015-16	—	20,07,553
2016-17	21,73,501	21,73,501
2017-18	19,11,793	19,11,793
2018-19	15,01,600	15,01,600
2019-20	9,92,361	9,92,361
2020-21	5,85,818	5,85,818
2021-22	2,22,947	2,22,947
<b>Total</b>	<b>73,88,020</b>	<b>93,95,573</b>

Note (iii) There are no defaults in repayment of interest & principal as at the balance sheet date.

For the current maturities of long term borrowings, refer item (a) of Note - 8 Other current liabilities

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 6 : Long-term provisions</b>		
Provision for employee benefits:		
(i) Provision for gratuity (refer note no 30) .....	25,41,027	68,73,164
(ii) Provision for compensated absences .....	1,06,54,766	94,73,478
<b>Total</b>	<b>1,31,95,793</b>	<b>1,63,46,642</b>
<b>Note 7: Trade payables</b>		
Trade payables:		
i) Total outstanding dues of Micro Enterprises and Small Enterprises (refer note (i) below) .....	—	3,33,380
ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises [including acceptances of ₹ Nil (As at March 31, 2015 : ₹ 42,78,088)] .....	10,18,05,075	9,99,72,589
<b>Total</b>	<b>10,18,05,075</b>	<b>10,03,05,969</b>



**Notes forming part of the Financial Statements****Note (i):**

	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
(i) Principal Amount remaining unpaid to supplier as at the end of the accounting year	—	3,33,380
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	—	—
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	—	—
(iv) The amount of interest due and payable for the year	—	—
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	—	—
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	—	—
<b>Total</b>	<b>—</b>	<b>3,33,380</b>

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

## Particulars

**Note 8 : Other current liabilities**

	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
(a) Current maturities of long term borrowings (refer note (i) below)		
(i) Term loans from banks & others .....	<b>14,15,843</b>	11,30,970
(ii) Deferred sales tax liabilities .....	<b>21,73,501</b>	20,07,553
(b) Deposit for rented premises .....	—	80,49,132
(c) Unpaid dividends .....	<b>26,22,781</b>	17,23,647
(d) Un-encashed matured deposits .....	—	20,000
(e) Security Deposits .....	<b>2,05,000</b>	4,21,225
(f) Other payables:		
(i) Statutory remittances (TDS, Provident fund, Excise duty & Service Tax)	<b>71,84,502</b>	68,88,276
(ii) Payables on purchase of tangible fixed assets .....	<b>11,26,797</b>	5,24,487
(iii) Advance from customers .....	<b>12,05,097</b>	17,48,860
(iv) Other liabilities (Commission, bonus, etc.) .....	<b>54,11,616</b>	43,28,862
<b>Total</b>	<b>2,13,45,137</b>	2,68,43,012

Note (i): Refer Note 5 Long term borrowings for details of security

## Particulars

**Note 9: Short-term provisions**

	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
(a) Provision for employee benefits		
(i) Provision for Gratuity (refer note no 30) .....	<b>90,56,159</b>	14,24,761
(ii) Provision for Compensated Absences .....	<b>40,44,754</b>	36,31,243
	<b>1,31,00,913</b>	50,56,004
(b) Provision - Others		
(i) Provision for proposed equity dividend .....	—	1,86,28,073
(ii) Provision for tax on proposed dividend .....	—	37,24,534
	—	2,23,52,607
<b>Total</b>	<b>1,31,00,913</b>	2,74,08,611

## Notes forming part of the Financial Statements

### Note 10: Fixed assets

(in ₹)

Particulars	Gross block			Accumulated depreciation/amortisation				Net Block	
	As at 1 April, 2015	Additions	Deductions	As at 31 March, 2016	As at 1 April, 2015	For the period	Deductions	As at 31 March, 2016	As at 31 March, 2015
<b>A. Tangible Assets</b>									
(a) Leasehold Land - Kurkumbh ...	18,58,391	—	—	18,58,391	3,33,267	20,649	—	15,04,475	15,25,124
Previous year	18,58,391	—	—	18,58,391	3,12,618	20,649	—	15,25,124	15,45,773
(b) Freehold Land.....	5,04,50,988	—	—	5,04,50,988	—	—	—	5,04,50,988	5,04,50,988
Previous year	5,36,30,801	—	31,79,813	5,04,50,988	—	—	—	5,04,50,988	5,36,30,801
(c) Buildings Residential .....	1,65,16,917	—	—	1,65,16,917	1,07,10,244	12,49,604	—	45,57,069	58,06,673
Previous year	1,65,16,917	—	—	1,65,16,917	93,44,514	13,65,730	—	58,06,673	71,72,403
(d) Buildings: Non Residential									
Own lease .....	6,45,86,039	—	—	6,45,86,039	5,59,38,420	12,73,358	—	73,74,261	86,47,619
Previous year	6,45,86,039	—	—	6,45,86,039	5,10,58,731	48,79,689	—	86,47,619	1,35,27,308
Given under operating lease ...	2,90,84,465	—	—	2,90,84,465	1,32,94,343	28,37,285	—	1,29,52,837	1,57,90,122
Previous year	2,90,84,465	—	—	2,90,84,465	1,01,54,101	31,40,242	—	1,57,90,122	1,89,30,364
(e) Plant & Equipments.....	31,74,13,212	2,93,19,398	—	34,67,32,610	27,09,08,168	1,08,43,409	—	28,17,51,577	4,65,05,044
Previous year	28,74,45,761	2,99,67,451	—	31,74,13,212	25,49,95,779	1,59,12,389	—	27,09,08,168	3,24,49,982
(f) Furniture & Fixtures .....	2,02,13,992	71,472	—	2,02,85,464	1,73,36,552	14,40,602	—	1,87,77,154	28,77,440
Previous year	2,01,96,892	17,100	—	2,02,13,992	1,13,68,835	59,67,717	—	28,77,440	88,28,057
(g) Office Equipment including Laboratory, Factory Equipment, Air Conditioners etc .....	2,94,66,369	11,52,984	—	3,06,19,353	2,59,17,250	12,61,609	—	34,40,494	35,49,119
Previous year	2,75,78,152	18,88,217	—	2,94,66,369	2,12,76,212	46,41,038	—	35,49,119	63,01,940
(h) Vehicles .....	1,22,25,600	58,68,379	—	1,80,93,979	97,03,493	15,93,046	—	67,97,440	25,22,107
Previous year	1,22,11,822	3,69,044	3,55,266	1,22,25,600	53,50,052	47,05,443	3,52,002	25,22,107	68,61,770
<b>Scientific Research- Capital Expenditure :</b>									
(a) Buildings - Non Residential .....	14,20,149	—	—	14,20,149	13,63,886	2,852	—	53,411	56,263
Previous year	14,20,149	—	—	14,20,149	13,60,677	3,209	—	56,263	59,472
(b) Plant & Equipments .....	79,88,223	—	—	79,88,223	70,32,511	2,50,402	—	7,05,310	9,55,712
Previous year	78,33,779	1,54,444	—	79,88,223	61,20,287	9,12,224	—	9,55,712	17,13,492
(c) Furniture & Fixtures .....	6,31,513	—	—	6,31,513	6,02,169	—	—	6,02,169	29,344
Previous year	6,31,513	—	—	6,31,513	6,02,169	—	—	29,344	29,344
(d) Office Equipment including Laboratory, Factory Equipment, Air Conditioners etc .....	1,59,68,813	78,565	—	1,60,47,378	1,50,14,356	92,129	—	9,40,893	9,54,457
Previous year	1,57,31,217	2,37,596	—	1,59,68,813	1,34,37,175	15,77,181	—	9,54,457	22,94,042
<b>Total Tangible Assets .....</b>	56,78,24,671	3,64,90,798	—	60,43,15,469	42,81,54,659	2,08,64,945	—	44,90,19,604	15,52,95,865
Previous year	53,87,25,898	3,26,33,852	35,35,079	56,78,24,671	38,53,81,150	4,31,25,511	3,52,002	13,96,70,005	
<b>B. Intangible Assets (Acquired)</b>									
Computer Software .....	9,26,620	—	—	9,26,620	8,78,410	1,788	—	46,422	48,210
Previous year	9,26,620	—	—	9,26,620	8,17,038	61,372	—	48,210	
<b>Total (A+B)</b>	56,87,51,291	3,64,90,798	—	60,52,42,089	42,90,33,069	2,08,66,733	—	44,98,99,802	15,53,42,287
Previous year (A+B)	53,96,52,518	3,26,33,852	35,35,079	56,87,51,291	38,61,98,188	4,31,86,883	3,52,002	42,90,33,069	13,97,18,215
<b>C. Capital Work-in-Progress</b>									
								13,94,85,598	5,63,79,174

Note: Freehold Land, Factory Building and Leasehold Land is mortgaged to Bank of India, Mumbai. However there is no loan outstanding, in respect of the same.



## Notes forming part of the Financial Statements

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 11 : Non-current investments</b>		
Investments (at cost, unless otherwise stated)		
A) Trade, in equity instruments		
Unquoted:		
(i) of subsidiary company 48,500 shares (Previous year 48,500 shares) of ₹ 10 each fully paid up in Dai-ichi Gosei Chemicals (India) Limited. * .....	2,00,000	2,00,000
(ii) of joint venture company 11,25,000 shares (Previous year 11,25,000 shares) of ₹ 10 each fully paid up in Nalco Champion Dai-ichi India Pvt. Ltd. (Formerly known as Champion Dai-ichi Technologies India Ltd.) .....	67,50,000	67,50,000
	<b>69,50,000</b>	69,50,000
* At cost less diminution other than temporary, aggregating ₹ 285,000 (previous year ₹ 285,000)		
B) Other than trade, in equity instruments		
a) Quoted:		
57,167 shares (Previous year 57,167 shares) of ₹ 10 each fully paid up in Clariant Chemicals (India) Limited .....	13,62,502	13,62,502
8,100 shares (Previous year 8,100 shares) of ₹ 10 each fully paid up in Bank of India .....	3,64,500	3,64,500
2,000 shares (Previous year 2,000) of ₹ 2 each in Bharat Seats Limited .....	2,000	2,000
b) Unquoted:		
1,000 shares (Previous year 1,000 shares ) of ₹ 25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited .....	25,000	25,000
2,500 shares (Previous year 2,500 shares) of ₹ 10 each fully paid up of The Saraswat Co-operative Bank Limited .....	25,000	25,000
4,000 shares (Previous year 4,000 shares) of ₹ 25 each fully paid up of The Zoroastrian Co-operative Bank Limited .....	1,00,000	1,00,000
	<b>18,79,002</b>	18,79,002
C) Other than trade, in debentures or Preference shares or bonds		
a) Quoted:		
10 units (Previous year 10 units) of 11.40% Tata Power Perpetual Bonds of ₹ 1,00,000 each .....	1,05,25,000	1,05,25,000
2,472 units (Previous year 2,472 units) of NHAI Bonds (Tranche-I) of ₹ 1,00,000 each .....	24,72,000	24,72,000
b) Unquoted:		
Nil Preference shares (Previous year 45,645 shares) of L & T Finance Holdings Limited .....	—	45,64,500
	<b>1,29,97,000</b>	1,75,61,500



## Notes forming part of the Financial Statements

Particulars

### Note 11 : Non-current investments (Contd.)

D) Other than trade, in mutual funds

Quoted:

1580 Grams (Previous year 1,580 grams) of Benchmark MF Gold Bees

### Total non-current investments

- 1) Aggregate cost of quoted investments .....
- 2) Aggregate market value of listed and quoted investments .....
- 3) Aggregate cost of unquoted investments (net of diminution in value written off) .....

As at  
31 March, 2016  
₹

29,55,536

29,55,536

2,47,81,538

1,76,81,538

5,26,32,906

71,00,000

As at  
31 March, 2015  
₹

29,55,536

29,55,536

2,93,46,038

1,76,81,538

6,54,49,166

1,16,64,500

Particulars

### Note 12 : Deferred tax assets

#### Deferred tax asset

Deferred tax assets:

- On Employee benefits .....
- On Provision for Doubtful Trade Receivables .....
- On Commission .....
- On Bonus .....
- On Others .....
- On Tangible fixed assets .....

### Net deferred tax assets

As at  
31 March, 2016  
₹

92,02,439

4,19,625

2,95,553

11,88,865

—

17,70,591

1,28,77,073

As at  
31 March, 2015  
₹

72,74,759

6,13,962

6,93,188

11,55,378

5,62,656

15,89,280

1,18,89,223

Particulars

### Note 13 : Long-term loans and advances

Unsecured considered good

- (a) Capital Advances .....
- (b) Security deposits .....
- (c) Loans and advances to employees .....
- (d) Prepaid expenses .....
- (e) VAT credit receivable .....
- (f) Advance Tax (Net of provisions ₹ 26,75,29,928)  
(Previous year ₹ 21,08,29,928) .....

Total

As at  
31 March, 2016  
₹

1,54,875

1,92,07,905

—

2,61,584

30,36,224

3,25,44,844

5,52,05,432

As at  
31 March, 2015  
₹

31,16,161

1,61,82,053

9,338

2,80,723

22,20,603

3,09,28,304

5,27,37,182

## Notes forming part of the Financial Statements

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 14 : Current investments</b>		
Other than trade (Valued at cost or market value whichever is less)		
Unquoted Mutual Funds (refer note (i) below) .....	<b>37,90,53,494</b>	39,23,36,223
<b>Total</b>	<b>37,90,53,494</b>	<b>39,23,36,223</b>
<b>Notes</b>		
1) Aggregate cost of quoted investments .....	—	—
2) Aggregate market value of listed and quoted investments .....	—	—
3) Aggregate cost of unquoted investments .....	<b>37,90,53,494</b>	39,23,36,223

## Note (i) Investment in Mutual Funds ( Current Investments)

Name of Mutual Fund	Scheme of Mutual Fund	Face Value	As at 31 March 2016		As at 31 March 2015	
			No of units	₹	No of units	₹
Birla Sun Life	Saving Fund- Daily Dividend - Regular Plan - Reinvestment	10	<b>4,54,376</b>	<b>4,55,72,590</b>	5,58,387	5,60,04,565
Birla Sun Life	Frontline Equity Fund - Growth - Regular Plan	10	<b>33,772</b>	<b>50,00,000</b>	33,772	50,00,000
Birla Sun Life	Dynamic Bond Fund - Retail - Growth - Regular Plan	10	<b>9,93,745</b>	<b>2,00,00,000</b>	9,93,745	2,00,00,000
BNP Paribas	Medium Term Income Fund Growth	10	<b>10,27,069</b>	<b>1,07,00,000</b>	10,27,069	1,07,00,000
DSP BlackRock	DSP Black Rock Top 100 Equity Fund - Regular Growth	10	<b>40,659</b>	<b>34,51,614</b>	40,659	34,51,614
DWS	Gilt Fund -Growth	10	<b>7,58,627</b>	<b>1,00,00,000</b>	7,58,627	1,00,00,000
DWS	Treasury Fund - Cash - Growth	10	—	—	83,308	1,09,43,500
Franklin Templeton	Short Term Income Plan - Retail Plan	10	<b>10,713</b>	<b>3,05,00,000</b>	3,970	1,05,00,000
Franklin Templeton	Corporate Bond Opportunities Fund	10	<b>9,02,364</b>	<b>1,00,00,000</b>	9,02,364	1,00,00,000
Franklin Templeton	Ultra Short Term Fund - Super Institutional Plan	10	<b>23,59,686</b>	<b>2,37,36,846</b>	12,36,166	1,24,12,783
ICICI Prudential	Interval II Quarterly C - Regular Plan Growth	10	—	—	17,99,142	1,80,02,900
ICICI Prudential	Flexible Income Plan Regular - Daily Dividend	10	—	—	76,416	80,75,136
ICICI Prudential	Flexible Income Plan - Regular Growth	10	—	—	19,402	44,41,144
ICICI Prudential	Balance Advantage Fund RP Growth	10	<b>4,25,894</b>	<b>1,00,00,000</b>	4,25,894	1,00,00,000
IDFC	Banking Debt Fund - Regular Plan - Growth	10	<b>18,24,934</b>	<b>2,00,00,000</b>	18,24,934	2,00,00,000
IDFC	Dynamic Bond Fund - Growth - (Regular Plan)	10	<b>24,20,037</b>	<b>4,00,00,000</b>	24,20,037	4,00,00,000
IDFC	Arbitrage Plus Fund - Dividend - ( Regular Plan)	10	<b>8,40,966</b>	<b>1,00,27,506</b>	8,40,966	1,00,11,108
JM	Arbitrage Advantage Fund - Bonus Option	10	<b>10,01,875</b>	<b>1,00,00,000</b>	10,01,875	1,00,00,000
Kotak	Floater Short Term - Daily Dividend	10	<b>43,361</b>	<b>4,38,64,938</b>	41,116	4,15,93,473
Reliance	Equity Opportunities Fund - Growth Plan - Growth Option	10	<b>75,526</b>	<b>50,00,000</b>	75,526	50,00,000
Reliance	Short Term Fund- Growth Plan - Growth Option	10	<b>27,53,558</b>	<b>7,12,00,000</b>	25,71,862	6,62,00,000
Sundaram	Flexible Fund - Short Term Plan Regular Growth	10	<b>4,99,820</b>	<b>10,00,00,000</b>	4,99,820	1,00,00,000
<b>TOTAL</b>				<b>37,90,53,494</b>		<b>39,23,36,223</b>



## Notes forming part of the Financial Statements

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 15 : Inventories</b>		
At lower of cost and net realisable value		
(a) Raw materials & Packing Materials .....	<b>5,40,13,730</b>	4,58,60,457
Material-in-transit .....	<b>53,34,694</b>	43,41,146
	<b>5,93,48,424</b>	5,02,01,603
(b) Fuels .....	<b>15,92,818</b>	24,44,365
(c) Work-in-progress		
Textile .....	—	9,07,935
Anionic/Cationic .....	<b>1,50,431</b>	3,83,300
Non Ionic .....	<b>13,86,938</b>	8,74,626
Oil Field .....	<b>5,14,722</b>	—
Miscellaneous .....	<b>24,85,441</b>	92,283
	<b>45,37,532</b>	22,58,144
(d) Semi Finished Goods .....	<b>1,52,65,203</b>	1,62,84,127
(e) Finished goods .....	<b>4,36,74,210</b>	4,51,26,333
<b>Total</b>	<b>12,44,18,187</b>	11,63,14,572

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 16 : Trade receivables</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured - considered Good .....	<b>4,57,045</b>	6,24,348
- considered Doubtful .....	<b>12,12,510</b>	18,06,303
	<b>16,69,555</b>	24,30,651
Less: Provision for doubtful trade receivables .....	<b>12,12,510</b>	18,06,303
	<b>4,57,045</b>	6,24,348
Other Trade receivables - Unsecured, considered Good .....	<b>18,32,76,529</b>	18,15,70,906
<b>Total</b>	<b>18,37,33,574</b>	18,21,95,254

## Notes forming part of the Financial Statements

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 17 : Cash and cash equivalents</b>		
A. Cash and cash equivalents (as per AS 3 Cash Flow Statements)		
(a) Cash on hand .....	42,075	65,098
(b) Balances with banks		
(i) In current accounts .....	1,44,55,754	1,78,41,065
(ii) In EEFC accounts .....	2,25,80,304	94,63,461
(iii) In other deposit accounts		
- Original maturity of 3 months or less .....	—	2,00,00,000
<b>Total - Cash and cash equivalents (as per AS 3 Cash Flow Statements) (A)</b>	<b>3,70,78,133</b>	<b>4,73,69,624</b>
B. Other bank balances (Refer Note (i) below)		
(i) In other deposit accounts		
- Original maturity of more than 3 months .....	1,00,00,000	1,00,00,000
(ii) In earmarked accounts		
- Unpaid dividend accounts .....	26,22,781	17,30,647
- Balances held as margin money against guarantees and other commitments .....	1,90,16,679	89,15,889
<b>Total - Other bank balances (B)</b>	<b>3,16,39,460</b>	<b>2,06,46,536</b>
<b>Total Cash and cash equivalents (A+B)</b>	<b>6,87,17,593</b>	<b>6,80,16,160</b>
Notes:		
(i) Balances with banks include deposits with remaining maturity of more than 12 months from the balance sheet date .....	5,52,817	1,00,00,000

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 18 :Short-term loans and advances</b>		
Unsecured, considered Good		
(a) Loans and advances to employees .....	1,18,609	1,65,079
(b) Prepaid expenses .....	37,55,668	27,22,926
(c) Balances with government authorities :		
i) Cenvat credit receivable .....	1,76,74,805	63,17,513
ii) Service Tax credit receivable .....	1,30,86,346	26,95,506
iii) Duty drawback receivable .....	13,18,831	21,71,089
(d) Others (advances to suppliers etc.) .....	80,69,633	1,52,62,227
<b>Total</b>	<b>4,40,23,892</b>	<b>2,93,34,340</b>

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 19 : Other Current Assets</b>		
(a) Interest accrued on bank deposits .....	2,33,679	86,690
(b) Interest accrued on other deposits .....	7,58,418	7,58,276
<b>Total</b>	<b>9,92,097</b>	<b>8,44,966</b>





## Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Note 20 : Revenue from operations</b>		
Sale of products (Refer Note (i) below) .....	<b>1,23,32,39,664</b>	1,10,83,75,751
Sale of services (Job work) .....	<b>43,11,844</b>	12,82,322
Other operating revenues (Refer Note (ii) below) .....	<b>1,18,56,165</b>	69,69,873
	<b>1,24,94,07,673</b>	1,11,66,27,946
Less: Excise duty on revenue from operations .....	<b>8,61,00,724</b>	9,39,31,077
<b>Total</b>	<b>1,16,33,06,949</b>	1,02,26,96,869

### Note

(i) Sale of products comprises:

#### Manufactured goods

Anionic / Cationic .....	<b>12,75,79,009</b>	17,86,30,257
Non Ionic .....	<b>22,57,83,276</b>	22,59,44,293
Textile .....	<b>11,04,67,213</b>	10,75,45,233
Oil Field .....	<b>47,75,22,490</b>	27,34,65,969
Flocculants .....	<b>6,50,97,332</b>	7,48,58,125
Others .....	<b>22,67,90,344</b>	24,79,31,874
<b>Total - Sale of manufactured goods</b>	<b>1,23,32,39,664</b>	1,10,83,75,751

(ii) Other operating revenues comprises:

Duty drawback .....	<b>80,77,353</b>	41,41,348
Commission .....	—	42,145
Scrap sales .....	<b>28,12,252</b>	20,44,013
Other (Discounts).....	<b>9,66,560</b>	7,42,367
<b>Total - Other operating revenues</b>	<b>1,18,56,165</b>	69,69,873

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Note 21 : Other income</b>		
(a) Interest income (Refer Note (i) below) .....	<b>37,00,096</b>	85,09,904
(b) Dividend income:		
from current investments .....	<b>75,63,213</b>	70,79,099
from long-term investments:		
Joint venture .....	<b>5,06,25,000</b>	45,00,000
Others .....	<b>4,59,531</b>	1,17,94,727

## Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
(c) Net gain on sale of investments		
Current investments .....	70,16,645	1,28,29,394
(d) Other non operating income		
Rental income from operating lease .....	1,21,52,790	1,44,79,920
Profit on sale of assets (Refer note 29.5) .....	12,32,306	1,55,94,171
Sundry balances written back .....	3,20,247	2,57,756
Miscellaneous receipts .....	2,11,030	1,69,258
Net gain on foreign currency transactions and translation .....	70,56,778	35,10,403
<b>Total</b>	<b>9,03,37,636</b>	<b>7,87,24,632</b>
<b>Note</b>		
<b>(i) Interest income comprises:</b>		
Interest from banks on deposits .....	19,41,790	17,88,152
Interest from banks on other balances .....	43	595
Interest on loans and advances .....	1,406	5,498
Interest income from long term investments .....	13,43,238	13,42,704
<b>Other interest:</b>		
Others .....	4,13,619	53,72,955
<b>Total</b>	<b>37,00,096</b>	<b>85,09,904</b>
<b>Note 22 : Cost of materials consumed</b>		
Opening Stock .....	5,02,01,603	5,50,20,576
Add : Purchases .....	72,89,66,148	68,44,40,721
Less : Closing Stock .....	(5,93,48,424)	(5,02,01,603)
Cost of materials consumed .....	71,98,19,327	68,92,59,694
<b>Raw Materials consumed comprise (Refer Note (i) below)</b>		
Ethylene Oxide .....	14,67,85,712	19,26,28,441
Fatty Alcohol, Phenol & Glycol .....	21,18,70,739	16,96,80,408
Oils & Fatty Acids .....	2,11,82,616	3,25,83,313
Acrylamide .....	1,72,97,557	2,73,67,635
Amines .....	3,84,59,719	3,40,19,709
Other items .....	28,42,22,984	23,29,80,188
<b>Total</b>	<b>71,98,19,327</b>	<b>68,92,59,694</b>

Particulars	For the year ended 31 March, 2016 %	₹	For the year ended 31st March, 2015 %	₹
Raw material consumed:				
Imported .....	22.10%	15,90,65,563	18.41%	12,69,07,445
Indigenous .....	77.90%	56,07,53,764	81.59%	56,23,52,249
<b>Total</b>	<b>100%</b>	<b>71,98,19,327</b>	<b>100%</b>	<b>68,92,59,694</b>



## Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Note 23 :Changes in inventories of finished goods, work-in-progress Inventories at the end of the year</b>		
Finished goods .....	4,36,74,210	4,51,26,333
Semi finished goods .....	1,52,65,203	1,62,84,127
<b>Work-in-progress :</b>		
Textile .....	—	9,07,935
Anionic / Cationic .....	1,50,431	3,83,300
Non Ionic .....	13,86,938	8,74,626
Oil feild .....	5,14,722	—
Miscellenous .....	24,85,441	92,283
	<b>6,34,76,945</b>	<b>6,36,68,604</b>
<b>Inventories at the beginning of the year</b>		
Finished goods .....	4,51,26,333	3,05,85,437
Semi finished goods .....	1,62,84,127	1,30,74,665
<b>Work-in-progress :</b>		
Textile .....	9,07,935	9,09,642
Anionic / Cationic .....	3,83,300	3,03,160
Non Ionic .....	8,74,626	14,38,530
Sizing .....	92,283	6,97,101
	<b>6,36,68,604</b>	<b>4,70,08,535</b>
<b>Net (increase) / decrease</b>	<b>1,91,659</b>	<b>(1,66,60,069)</b>

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Note 24 : Employee benefits expense</b>		
Salaries and wages .....	10,99,41,643	10,07,55,031
Contributions to provident and other funds .....	1,14,86,335	1,06,03,441
Staff welfare expenses .....	86,94,835	80,46,687
<b>Total</b>	<b>13,01,22,813</b>	<b>11,94,05,159</b>

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Note 25 : Finance costs</b>		
Interest on Term Loans * .....	1,84,546	2,32,173
Interest on Service Tax .....	43,00,784	—
Interest- Others (Sales Tax) .....	94,353	6,93,620
<b>Total</b>	<b>45,79,683</b>	<b>9,25,793</b>

\* No borrowing cost has been capitalised since there are no qualifying assets

## Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Note 26 : Other Expenses</b>		
Consumption of stores and spare parts .....	82,59,344	77,82,465
Excise duty* .....	12,66,398	1,14,867
Power and fuel .....	4,32,25,181	4,48,00,087
Rent .....	44,14,752	26,29,774
Repairs and maintenance :		
Buildings .....	7,97,898	12,75,237
Plant & Equipment .....	67,28,586	45,03,983
Others .....	36,15,242	40,25,945
Insurance .....	19,40,332	16,02,584
Rates and taxes .....	34,55,490	26,42,249
Freight Expenses .....	2,64,42,648	2,07,53,115
Commission on sales .....	1,58,53,450	1,87,75,090
Donations .....	20,000	2,00,000
Expenditure on Corporate Social Responsibility - Donation (refer note 29.8)	5,00,000	11,63,000
Bank Charges .....	29,72,871	26,87,203
Telephone, telex and telegrams .....	21,70,947	20,28,938
Vehicle Expenses .....	10,31,527	11,38,379
Legal and professional .....	83,74,006	76,70,996
Travelling Expenses .....	46,70,200	29,10,339
Directors' Sitting Fees .....	12,25,000	10,17,500
Payments to auditors (refer note (i) below) .....	42,33,234	28,00,020
(Reversal) / Diminution in the value current investment .....	(16,399)	16,399
Provision for doubtful trade and other receivables .....	—	3,19,411
Bad trade and other receivables, loans & advances written off (Net of Provision of earlier years adjusted ₹ 593,793 (Previous year ₹ NIL).....	6,17,648	4,636
Miscellaneous expenses .....	2,47,30,096	1,88,91,321
<b>Total</b>	<b>16,65,28,451</b>	<b>14,97,53,538</b>

\* represents excise duty on difference between closing and opening stock



## Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Note(i)</b>		
Payments to the auditors comprises (net of service tax)		
To statutory auditors		
For audit .....	24,68,000	17,20,000
For tax audit .....	8,59,000	—
For limited review .....	9,00,000	7,50,000
For other services .....	—	3,27,500
For out of pocket expenses .....	6,234	2,520
<b>Total</b>	<b>42,33,234</b>	<b>28,00,020</b>

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Note 27 : Tax expense</b>		
a) Current Tax for the year .....	5,67,00,000	4,99,00,000
b) Deferred tax for the year .....	(9,87,850)	(76,37,794)
<b>Total</b>	<b>5,57,12,150</b>	<b>4,22,62,206</b>

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Note 28 : Depreciation and amortisation expenses</b>		
Depreciation for the year on tangible assets as per Note 10 A .....	2,08,64,945	4,31,25,511
Amortisation for the year on intangible assets as per Note 10 B .....	1,788	61,372
<b>Total</b>	<b>2,08,66,733</b>	<b>4,31,86,883</b>

**Notes forming part of the financial statements****Note 29 Additional information to the financial statements**

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>29.1 Contingent liabilities and commitments (to the extent not provided for)</b>		
(i) Contingent liabilities		
Claims against the Company not acknowledged as debt :		
(a) Pending litigations :		
1. Octroi (classification of raw materials)*	2,43,07,427	2,43,07,427
2. Disputed income tax demands in respect of deductions/ disallowances for earlier years pending with Appellate Tribunals (Determination of nature of receipt)	3,15,52,936	3,19,58,492
* Includes ₹ 1,41,97,321 (previous year ₹ 1,41,97,321) for which bank guarantee has been given and shown under 29.1 (i) (c).		
(b) Others		
1. Labour matters ( back wages and compensation under Workmen Compensation Act)	25,31,985	18,52,485
2. Disputed income tax demands in respect of deductions/ disallowances for earlier years pending with CIT Appeals ( Disallowance for sec 14A Expenses, Legal & Professional Charges, Commission, Donation, Business promotion expense)	3,71,72,503	1,08,44,540
3. Disputed Sales Tax demands for set off claimed on unmatched input credit	78,98,343	78,98,343
4. Service Tax (Dispute on mode of payment)	60,44,592	1,21,15,982
(c) Guarantees issued to others by Bank secured by counter guarantee of the company and by charge on the fixed assets, inventories and book debts of the company	1,41,97,321	1,41,97,321
(d) Customs duty bonds**	75,63,537	3,11,95,150
**Includes ₹ 75,63,537 (previous year ₹ 75,63,537) of Bonds, issued jointly in name of the Company and Nalco Champion Dai-ichi India Pvt. Ltd. (Formerly known as Champion Dai-ichi Technologies India Ltd. ) (Jointly Controlled Entity)		
(e) The wage agreement with employees at Kasarwadi Plant had expired on 30th November, 2008. Negotiations with employees are in progress. Pending finalisation of an agreement, the Company has made an accrual of ₹ 84,86,994/- (Previous year ₹ 83,46,104) based on its estimate of likely settlement with the employees. The Company does not expect any further significant additional liability on this account Future outflow in respect of above matters are determinable only on receipt of judgement/decisions pending at various forums/ authorities.		
	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	64,000	23,62,788



## Notes forming part of the financial statements

### 29.2 Details on derivative instruments and unhedged foreign currency exposures

- I. There were no outstanding forward exchange contracts entered into by the Company during the financial year and outstanding as at March 31, 2016 (previous year Nil)
- II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

As at 31 March, 2016		As at 31 March, 2015	
Receivable/ (Payable) Rupees	Receivable/ (Payable) in Foreign currency ( USD)	Receivable/ (Payable) Rupees	Receivable/ (Payable) in Foreign currency ( USD)
7,16,66,835	11,00,161	4,81,76,526	7,77,859
(77,28,522)	(1,15,659)	(1,54,31,393)	(2,44,749)

Particulars

**For the year  
ended  
31 March, 2016**  
₹

For the year  
ended  
31 March, 2015  
₹

### 29.3 Value of imports calculated on CIF basis :

Raw materials and packing materials .....	13,62,12,379	11,70,47,564
Capital goods .....	—	3,88,287

### 29.4 Expenditure in foreign currency:

Travelling .....	10,44,784	6,42,303
Commission .....	8,82,291	14,00,019
Professional fees .....	4,56,220	7,49,493
Seminar and Conference .....	2,89,731	—

**29.5** Other Income includes ₹ 1,232,306 /- being additional compensation received during the year in respect of compulsory acquisition of parcel of land at Kasarwadi by Government of Maharashtra.

Particulars

**For the year  
ended  
31 March, 2016**  
₹

For the year  
ended  
31 March, 2015  
₹

### 29.6 Earnings in foreign exchange :

Export of goods calculated on FOB basis	42,29,75,239	22,92,88,960
Other income - Commission	—	42,145

**29.7** During the previous year, with effect from April, 2014, the Company had revised estimated useful lives of fixed assets as per the lives prescribed in the schedule II to the Companies Act, 2013. During the current year, the management has confirmed its reassessment of the useful lives of assets, which is in line with such assertion in the previous year. Further, assets individually costing ₹ 5,000/- or less continue to be depreciated fully in the year of purchase. The details of previously applied depreciation method, rates/useful life are as follows.



## Notes forming part of the financial statements

Sr. No.	Asset	Revised useful life based on WDV for year ended 2016 and year ended 2015	Revised useful life based on SLM for the year ended 2016 and year ended 2015
		<b>HO &amp; Kasarwadi</b>	<b>Others</b>
1	Factory Buildings	30 years	30 years
2	Residential Building	60 years	—
3	Computers and Data Processing Equipment	3 years	3 years
4	Plant and Equipment	20 years	20 years
5	Furniture and Fixtures	10 years	10 years
6	Lab Equipment	10 years	10 years
7	Vehicles	8 years	8 years

**29.8 Corporate Social Responsibility Expenditure**

In terms of Section 135 of the Companies Act, 2013, the Company was required to spend the gross amount of ₹ 14,71,250/- (previous year ₹ 11,63,000/-) during the year on Corporate Social Responsibility (CSR) activities.

During the year, the Company has charged to the statement of profit and loss account an amount of ₹ 5,00,000 (previous year ₹ 11,63,000) on CSR activities. The amount is contributed to Maneckji and Shirinbai Neterwala Foundation.

**29.9** During the previous year, the company has sold its remaining holdings in Inogent Laboratories Pvt. Ltd. at a consideration of ₹ 8,97,15,130 resulting in a profit of ₹ 7,45,22,823 which is disclosed as an exceptional item in the Statement of Profit & Loss.

**Note 30 Disclosures under Accounting Standards****30.1 Employee benefit plans****(A) Defined contribution plans**

The Company provides Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 63,23,467 (previous year ₹ 59,78,451) for Provident Fund contributions and ₹ 2,64,751 (previous year ₹ 4,25,739) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**(B) Defined benefit plans**

The Defined Benefit Plans comprise of Gratuity. Gratuity is a benefit to an employee based on 15 days of last drawn salary for each completed year of service.

Particulars	Year ended 31 March, 2016 Gratuity (funded) ₹	Year ended 31 March, 2015 Gratuity (funded) ₹
<b>(I) Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year .....	<b>4,63,58,604</b>	4,62,10,422
Current service cost .....	<b>13,93,927</b>	11,70,797
Interest cost .....	<b>29,17,019</b>	31,28,594
Actuarial (gains) / losses .....	<b>31,05,550</b>	34,16,449
Past service cost .....	—	—
Benefits paid .....	<b>(79,10,244)</b>	(75,67,658)
Present value of DBO at the end of the year	<b>4,58,64,856</b>	4,63,58,604



## Notes forming part of the financial statements

### Note 30 Disclosures under Accounting Standards (Contd.)

Particulars	Year ended 31 March, 2016 Gratuity (funded) ₹	Year ended 31 March, 2015 Gratuity (funded) ₹
<b>(II) Change in fair value of assets during the year</b>		
Plan assets at beginning of the year .....	3,80,60,679	4,14,38,420
Expected return on plan assets .....	30,25,824	36,05,143
Actuarial gain / (loss) .....	(1,19,519)	(1,94,220)
Actual company contributions .....	12,10,930	7,78,994
Benefits paid .....	(79,10,244)	(75,67,658)
Plan assets at the end of the year .....	3,42,67,670	3,80,60,679
<b>(III) Analysis of Defined Benefit Obligation</b>		
Defined Benefit Obligation as at 31st March.....	4,58,64,856	4,63,58,604
Fair value of plan assets at the end of the year .....	3,42,67,670	3,80,60,679
Net asset / (liability) recognised in the Balance Sheet .....	(1,15,97,186)	(82,97,925)
<b>(IV) Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation .....	4,58,64,856	4,63,58,604
Fair value of plan assets .....	3,42,67,670	3,80,60,679
Funded status [Surplus / (Deficit) .....	(1,15,97,186)	(82,97,925)
Unrecognised past service costs .....	—	—
Net asset / (liability) recognised in the Balance Sheet .....	(1,15,97,186)	(82,97,925)
<b>(V) Change in defined benefit obligations (DBO) during the year</b>		
Current service cost .....	13,93,927	11,70,797
Interest cost .....	29,17,019	31,28,594
Expected return on plan assets .....	(30,25,824)	(36,05,143)
Actuarial (gains) / losses .....	35,99,135	(14,20,673)
Total Expenses recognised in the statement of Profit & Loss .....	48,84,257	(7,26,425)
<b>(VI) Actuarial assumptions</b>		
Discount rate .....	7.95%	7.95%
Expected return on plan assets .....	7.95%	7.95%
Salary escalation .....	8.00%	6.00%
Attrition .....	5.00%	2.00%
Mortality tables .....	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Estimate of amount of contribution in the immediate next year .....	36,00,000	20,00,000

**Notes forming part of the financial statements**

Particulars

**Note 30 Disclosures under Accounting Standards (Contd.)**

	<b>31 March, 2016</b>	31 March, 2015	31 March, 2014	31 March, 2013	31 March, 2012
	₹	₹	₹	₹	₹
<b>(VII) Experience adjustments</b>					
<b>Gratuity</b>					
Experience gain / (loss) adjustments on plan liabilities	<b>31,05,550</b>	34,16,449	(5,01,982)	34,71,072	(1,09,582)
Experience gain / (loss) adjustments on plan assets	<b>1,19,519</b>	1,94,220	(84,835)	33,276	3,00,815
Defined Benefit Obligation at the end of the period	<b>4,58,64,856</b>	4,63,58,604	4,62,10,422	4,59,47,023	4,31,74,993
Plan Assets at the end of the period	<b>3,42,67,670</b>	3,80,60,679	4,14,38,420	3,95,16,140	3,84,45,154
Funded status [Surplus / (Deficit)]	<b>(1,15,97,186)</b>	(82,97,925)	(47,72,002)	(64,30,883)	(47,29,839)

- a) The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.
- b) Expected Rate of Return of Plan Assets : This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.
- c) Salary Escalation Rate : The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

**Note 31 Disclosures under Accounting Standards**

- (i) The Company operates exclusively in the Speciality Chemicals business segment which is the only reportable business segment.
- (ii) The geographical segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately:

<b>Geographical Segment</b>	<b>Revenues for the year ended 31 March, 2016</b>	<b>Segment assets as at 31 March, 2016</b>	<b>Capital expenditure incurred during the year ended 31 March, 2016</b>
	₹	₹	₹
Outside India	<b>43,40,24,818</b>	<b>7,16,66,835</b>	<b>Nil</b>
Previous Year	23,61,71,591	4,81,76,526	Nil
Within India	<b>90,57,20,491</b>	<b>1,11,69,63,930</b>	<b>3,64,90,798</b>
Previous Year	95,91,80,987	1,03,09,34,821	3,26,33,852



## Notes forming part of the financial statements

### Note 32 Disclosures under Accounting Standards

#### 32.1 Related party transactions

##### 32.1 a Details of related parties:

Description of relationship	Names of related parties
(i) Subsidiary	Dai-ichi Gosei Chemicals (India) Limited (DGCIL)
(ii) Jointly controlled entities (JCE)	Nalco Champion Dai-ichi India Pvt. Ltd. (NCD) (Formerly known as Champion Dai-ichi Technologies India Limited (CDTIL))
(iii) Key Management Personnel (KMP)	Mrs. S. F. Vakil - Chairperson and Managing Director (SFV)
(iv) Relatives of KMP	i) Mr. D. M. Neterwala -Father of Managing Director (DMN-Since deceased) ii) Ms. Meher F. Vakil - Daughter of Managing Director (MFV) iii) Mrs. P. R. Mehta -Sister of Managing Director (PRM)
(v) Entities in which KMP / Relatives of KMP can exercise significant influence	i) Indian Oxides & Chemicals Private Limited (IOCL) ii) Rose Investments Limited (RIL), iii) SDN Company (SDNC), iv) Performance Polymers and Chemicals Pvt. Ltd. (PPCL), v) Anosh Finance & Investment Pvt. Ltd. (AFIPL), vi) General Pharmaceuticals Pvt. Ltd. (GPPL) vii) Neta India Limited (NIL) viii) Neterwala Consulting & Corporate Services Limited (NCCL) ix) Chemicals and Ferro Alloys Pvt. Ltd. (CFAPL) x) Uni Klinger Limited (UKL)
(vi) Enterprises over which director can exercise significant influence	i) Maneckji & Shirinbai Neterwala Foundation

##### 32.1.b Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31 March, 2016 :

Particulars	Subsidiaries (DGCIL)	JCE (NCD)	KMP (SFV)	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprises over which director can exercise significant influence	Total
	₹	₹	₹	₹	₹	₹	₹
<b>Purchase of goods:</b>		<b>27,200</b>					<b>27,200</b>
		(53,933)					(53,933)
IOCL .....					<b>6,05,391</b>		<b>6,05,391</b>
					(1,91,626)		(1,91,626)
GPPL .....					<b>37,41,677</b>		<b>37,41,677</b>
					(35,68,061)		(35,68,061)
NIL .....					<b>Nil</b>		<b>Nil</b>
					(27,904)		(27,904)
UKL .....					<b>2,26,570</b>		<b>2,26,570</b>
					(91,847)		(91,847)

## Notes forming part of the financial statements

Particulars	Subsidiaries (DGCIL)	JCE (NCD)	KMP (SFV)	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprises over which director can exercise significant influence	Total
	₹	₹	₹	₹	₹	₹	₹
<b>Purchase of fixed assets : .....</b>		<b>Nil</b>					<b>Nil</b>
		(3,69,044)					(3,69,044)
UKL .....					<b>10,83,352</b>		<b>10,83,352</b>
					(Nil)		(Nil)
<b>Sale of goods: .....</b>		<b>11,64,66,411</b>					<b>11,64,66,411</b>
		(12,27,77,295)					(12,27,77,295)
IOCL .....					<b>58,271</b>		<b>58,271</b>
					(34,34,851)		(34,34,851)
GPPL .....					<b>39,54,476</b>		<b>39,54,476</b>
					(34,85,619)		(34,85,619)
<b>Sale of service: (Job Work)</b>							
IOCL .....					<b>44,11,843</b>		<b>44,11,843</b>
					(12,82,322)		(12,82,322)
<b>Rendering of services/ Reimbursement of expenses: .....</b>		<b>11,39,740</b>					<b>11,39,740</b>
		(9,93,561)					(9,93,561)
SDNC .....					<b>4,92,840</b>		<b>4,92,840</b>
					(4,72,310)		(4,72,310)
IOCL .....					<b>3,23,250</b>		<b>3,23,250</b>
					(Nil)		(Nil)
<b>Receiving of services/ Reimbursement of expenses: .....</b>			<b>2,39,496</b>				<b>2,39,496</b>
			(Nil)				(Nil)
SDNC .....					<b>Nil</b>		<b>Nil</b>
					(20,000)		(20,000)
NCCSL .....					<b>10,000</b>		<b>10,000</b>
					(21,264)		(21,264)
AFIPL .....					<b>Nil</b>		<b>Nil</b>
					(34,340)		(34,340)
NIL .....					<b>22,800</b>		<b>22,800</b>
					(Nil)		(Nil)
MFV .....				<b>4,54,762</b>			<b>4,54,762</b>
				(Nil)			(Nil)



## Notes forming part of the financial statements

Particulars	Subsidiaries (DGCIL)	JCE (NCD)	KMP (SFV)	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprises over which director can exercise significant influence	Total
	₹	₹	₹	₹	₹	₹	₹
<b>Compensation/ others: .....</b>			<b>26,84,752</b>				<b>26,84,752</b>
			(26,00,029)				(26,00,029)
<b>Remuneration: .....</b>			<b>1,07,85,908</b>				<b>1,07,85,908</b>
			(93,14,950)				(93,14,950)
MFV .....				<b>21,78,602</b>			<b>21,78,602</b>
				(Nil)			(Nil)
<b>CSR .....</b>						<b>5,00,000</b>	<b>5,00,000</b>
						(11,63,000)	(11,63,000)
<b>Dividend received: ..</b>		<b>5,06,25,000</b>					<b>5,06,25,000</b>
		(45,00,000)					(45,00,000)
<b>Dividend paid: .....</b>			<b>1,50,30,465</b>				<b>1,50,30,465</b>
			(37,26,576)				(37,26,576)
DMN .....				<b>4,16,251</b>			<b>4,16,251</b>
				(4,16,251)			(4,16,251)
FAV .....				<b>4,23,050</b>			<b>4,23,050</b>
				(1,97,523)			(1,97,523)
PRM .....				<b>42,18,750</b>			<b>42,18,750</b>
				(42,18,750)			(42,18,750)
RIL .....					<b>14,45,400</b>		<b>14,45,400</b>
					(6,57,000)		(6,57,000)
GPPL .....					<b>3,212</b>		<b>3,212</b>
					(1,460)		(1,460)
CFAPL .....					<b>6,42,500</b>		<b>6,42,500</b>
					(6,42,500)		(6,42,500)
<b>Consultancy Fees: - MFV .....</b>				<b>3,28,520</b>			<b>3,28,520</b>
				(7,49,493)			(7,49,493)
<b>Balances outstanding at the end of the year:</b>							
Investments .....	<b>2,00,000</b>	<b>67,50,000</b>					<b>69,50,000</b>
	(2,00,000)	(67,50,000)					(69,50,000)
Trade receivables: .....		<b>1,68,79,602</b>					<b>1,68,79,602</b>
		(2,62,22,077)					(2,62,22,077)
IOCL .....					<b>3,93,761</b>		<b>3,93,761</b>
					(3,73,121)		(3,73,121)
GPPL .....					<b>11,50,146</b>		<b>11,50,146</b>
					(44,713)		(44,713)

## Notes forming part of the financial statements

Particulars	Subsidiaries (DGCIL)	JCE (NCD)	KMP (SFV)	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprises over which director can exercise significant influence	Total
	₹	₹	₹	₹	₹	₹	₹
<b>Deposits for office :</b>			<b>32,00,000</b>				<b>32,00,000</b>
			(32,00,000)				(32,00,000)
<b>Trade payable :</b>							
NIL .....					<b>22,344</b>		<b>22,344</b>
					(Nil)		(Nil)
UKL .....					<b>1,71,682</b>		<b>1,71,682</b>
					(Nil)		(Nil)

**Note: Figures in bracket relate to the previous year**

**Note 33 Disclosures under Accounting Standards**

Note	Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>33.1</b>	<b>Details of leasing arrangements</b>		
	<u>As Lessor</u>		
33.1.a	The Company has entered into operating lease arrangements for commercial premises at Worli.		
	Depreciation recognised on the leased assets	<b>28,37,285</b>	31,40,242
	Accumulated depreciation on the leased assets	<b>1,61,31,628</b>	1,32,94,343
33.1.b	<u>As Lessee</u>		
33.1.b.(i)	The Company has entered into operating lease arrangements for certain facilities. The leases are non-cancellable and are for a period of 15 November, 2015 to 14 November, 2017. The lease agreements provide for an increase in the lease payments by 5% after first 12 months.		
	Future Minimum lease payment		
	Not later than one year	<b>24,37,500</b>	—
	Later than one year and not later than five years	—	—
	later than five years	—	—
33.1.b.(ii)	Lease payments recognised in the Statement of Profit and Loss	<b>44,14,752</b>	26,29,774





## Notes forming part of the financial statements

Note	Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>33.2</b>	<b>Earnings per share</b>		
	<u>Basic &amp; Diluted</u>		
	Profit for the year (₹)	<b>15,58,23,769</b>	14,78,11,120
	Weighted average number of equity shares	<b>74,51,229</b>	74,51,229
	per value per share (₹)	<b>10</b>	10
	Earnings per share - Basic and Diluted (₹)	<b>20.91</b>	19.84

### Note 34 Disclosures under Accounting Standards

#### Interest in joint ventures

Jointly controlled entity (JCE):

Name of joint venture and country of incorporation	% of interest / ownership	Amount of interest based on accounts for the year ended 31 March, 2016					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
		₹	₹	₹	₹	₹	₹
Nalco Champion Dai-ichi India Pvt. Ltd. (Formerly known as Champion Dai-ichi Technologies India Limited)	<b>50</b>	<b>42,17,81,484</b>	<b>42,17,81,484</b>	<b>82,55,37,658</b>	<b>65,10,04,917</b>	<b>4,83,00,000</b>	<b>7,99,481</b>
Previous year	50	40,95,69,231	40,95,69,231	83,94,36,743	70,17,79,200	4,20,06,400	7,40,296

**Note 35** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

<b>S. F. Vakil</b>	Chairperson and Managing Director
<b>Kavas Patel</b>	Director
<b>Adi Jehangir</b>	Director
<b>Keki Elavia</b>	Director
<b>Anil Naik</b>	Director
<b>Nitin Nimkar</b>	Chief Financial Officer
<b>Kavita Thadeshwar</b>	Company Secretary

Place : Mumbai

Date : May 14, 2016

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF DAI-ICHI KARKARIA LIMITED****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **DAI-ICHI KARKARIA LIMITED** (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its jointly controlled entity, comprising of the Consolidated Balance Sheet as at 31 March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its jointly controlled entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



## Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entity as at 31 March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Other Matters

We did not audit the financial statements / financial information of one subsidiary, whose financial statements / financial information reflect total assets of ₹ 247,520 as at 31 March, 2016, total revenues of ₹ 14,892 and net cash flows amounting to ₹ 2,577 for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor.

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 report of the other auditor and the financial statements.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 Accounting Standards prescribed under Section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company and jointly controlled company incorporated in India, none of the directors of the Group companies and jointly control company incorporated in India is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary company and jointly controlled company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's/ subsidiary company's / jointly controlled company's incorporated in India 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entity – Refer note 29.1 (i) (a) to the consolidated financial statements.

- ii. The Group and its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company and jointly controlled company incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**K. A. Katki**  
Partner  
(Membership No.038568)

Place: Mumbai  
Date : 14 May, 2016



## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

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

### **Report On the Internal Financial Controls Over Financial Reporting under Clause (I) Of Sub-section 3 Of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March, 2016, we have audited the internal financial controls over financial reporting of Dai-ichi Karkaria Limited (hereinafter referred to as “the Holding Company”), its subsidiary company and jointly controlled company, which are companies incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its subsidiary company and jointly controlled company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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 the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company and joint controlled company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion to the best of our information and according to the explanations given to us, and taking into consideration the report of other auditor referred to in the other matter paragraph below, the Holding Company, its subsidiary company and jointly controlled company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**K. A. Katki**  
Partner  
(Membership No. 038568)

Place: Mumbai  
Date : 14 May, 2016



## Consolidated Balance Sheet as at 31 March, 2016

Particulars	Note No.	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital .....	3	7,45,12,290	7,45,12,290
(b) Reserves and surplus .....	4	1,18,98,45,891	1,00,84,94,126
		<b>1,26,43,58,181</b>	<b>1,08,30,06,416</b>
<b>2 Minority interest</b>		7,153	7,138
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings .....	5	96,15,787	76,16,163
(b) Long-term provisions .....	6	1,37,63,781	1,83,86,811
		<b>2,33,79,568</b>	<b>2,60,02,974</b>
<b>3 Current liabilities</b>			
(a) Trade payables	7		
i) Total outstanding dues of Micro Enterprises and Small Enterprises .....		—	3,33,380
ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises .....		<b>25,63,96,623</b>	29,46,16,572
(b) Other current liabilities .....	8	2,58,24,473	3,20,32,913
(c) Short-term provisions .....	9	2,23,33,280	3,32,68,255
		<b>30,45,54,376</b>	<b>36,02,51,120</b>
<b>TOTAL</b>		<b>1,59,22,99,278</b>	<b>1,46,92,67,648</b>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets .....		17,44,79,827	16,01,23,166
(ii) Intangible assets .....		46,422	48,210
(iii) Capital work-in-progress .....		13,99,69,657	5,63,79,174
		<b>31,44,95,906</b>	<b>21,65,50,550</b>
(b) Non-current investments .....	11	1,78,45,038	2,24,09,538
(c) Deferred tax assets(net) .....	12	1,70,21,750	1,43,91,475
(d) Long-term loans and advances .....	13	18,60,74,493	13,22,28,973
		<b>22,09,41,281</b>	<b>16,90,29,986</b>
		<b>53,54,37,187</b>	<b>38,55,80,536</b>
<b>2 Current assets</b>			
(a) Current investments .....	14	38,23,53,654	39,54,67,976
(b) Inventories .....	15	15,94,93,394	16,48,35,880
(c) Trade receivables .....	16	36,96,88,740	37,55,69,794
(d) Cash and cash equivalents .....	17	9,57,57,970	11,45,18,063
(e) Short-term loans and advances .....	18	4,63,70,140	3,18,05,223
(f) Other current assets .....	19	31,98,193	14,90,176
		<b>1,05,68,62,091</b>	<b>1,08,36,87,112</b>
<b>TOTAL</b>		<b>1,59,22,99,278</b>	<b>1,46,92,67,648</b>

The accompanying notes are an integral part of the financial statements

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**K. A. Katki**  
Partner  
Place : Mumbai  
Date : May 14, 2016

For and on behalf of the Board of Directors  
**S. F. Vakil**                      Chairperson and Managing Director  
**Kavas Patel**                      Director  
**Adi Jehangir**                      Director  
**Keki Elavia**                      Director  
**Anil Naik**                      Director  
**Nitin Nimkar**                      Chief Financial Officer  
**Kavita Thadeshwar**                      Company Secretary



**Consolidated Statement of Profit and Loss for the year ended 31 March, 2016**

<b>Particulars</b>	<b>Note No.</b>	<b>For the year ended 31 March, 2016</b> ₹	<b>For the year ended 31 March, 2015</b> ₹
<b>1 Revenue from operations (gross) .....</b>	20	<b>2,02,91,03,089</b>	1,90,39,36,690
Less: Excise duty .....		<b>9,08,50,338</b>	9,39,31,077
Revenue from operations (net) .....		<b>1,93,82,52,751</b>	1,81,00,05,613
<b>2 Other income .....</b>	21	<b>4,24,41,354</b>	7,58,19,200
<b>3 Total revenue (1+2) .....</b>		<b>1,98,06,94,105</b>	1,88,58,24,813
<b>4 Expenses</b>			
(a) Cost of materials consumed .....	22	<b>1,13,44,96,545</b>	1,16,24,18,187
(b) Changes in inventories of finished goods, work-in-progress .....	23	<b>63,49,391</b>	(2,27,92,703)
(c) Employee benefits expenses .....	24	<b>17,26,32,800</b>	15,31,85,220
(d) Finance costs .....	25	<b>48,91,360</b>	17,29,772
(e) Depreciation and amortisation expense .....	28	<b>2,31,35,140</b>	4,56,82,676
(f) Other expenses .....	26	<b>30,39,89,022</b>	29,62,28,481
<b>Total Expenses</b>		<b>1,64,54,94,258</b>	1,63,64,51,633
<b>5 Profit before Tax and Exceptional item .....</b>		<b>33,51,99,847</b>	24,93,73,180
<b>6 Exceptional item :</b>			
Profit on sale of long term investments .....	29.4	—	7,45,22,823
		<b>33,51,99,847</b>	32,38,96,003
<b>7 Tax expense/(benefit) :</b>			
(a) Current Tax .....	27	<b>11,92,00,230</b>	10,04,01,526
(b) Deferred Tax .....	27	<b>(26,30,275)</b>	(93,45,679)
Net tax expense		<b>11,65,69,955</b>	9,10,55,847
<b>8 Profit for the year .....</b>		<b>21,86,29,892</b>	23,28,40,156
Minority Interest.....		<b>(15)</b>	(118)
<b>Net Profit</b>		<b>21,86,29,877</b>	23,28,40,038
Earnings per Equity Share basic and diluted (of ₹ 10/- each) .....	33.2	<b>29.34</b>	31.25
The accompanying notes are an integral part of the financial statements			

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**K. A. Katki**  
Partner  
Place : Mumbai  
Date : May 14, 2016

For and on behalf of the Board of Directors  
**S. F. Vakil** Chairperson and Managing Director  
**Kavas Patel** Director  
**Adi Jehangir** Director  
**Keki Elavia** Director  
**Anil Naik** Director  
**Nitin Nimkar** Chief Financial Officer  
**Kavita Thadeshwar** Company Secretary



## Consolidated Cash Flow Statement for the year ended 31 March, 2016

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before extraordinary items and tax .....	33,51,99,847	32,38,96,003
Adjustments for:		
Depreciation and amortisation expense .....	2,31,35,140	4,56,82,676
Provision for doubtful trade and other receivables.....	11,17,406	12,52,115
(Profit) / Loss on sale of Fixed Assets.....	(12,46,512)	(1,53,99,872)
Interest income.....	(57,13,308)	(97,07,729)
Dividend income .....	(81,93,175)	(1,90,55,175)
Compensation for deficiency in performance.....	37,93,756	20,06,978
Excess of cost or fair value of current MF investments.....	(16,399)	16,399
Bad trade and other receivables, loans & advances written off .....	12,11,441	4,636
Profit on sale of investments .....	(70,16,645)	(8,73,52,217)
Liabilities no longer required written back .....	(3,20,247)	(2,57,756)
Rent income .....	(1,21,52,790)	(1,44,79,920)
Finance costs .....	48,91,360	17,29,772
<b>Operating profit/(loss) before working capital changes .....</b>	<b>33,46,89,874</b>	<b>22,83,35,910</b>
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories .....	53,42,487	(2,65,02,705)
Trade receivables .....	35,52,208	(7,55,11,040)
Short-term loans and advances .....	(1,45,64,435)	(31,18,795)
Long-term loans and advances .....	(5,49,65,142)	(3,42,73,228)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables .....	(3,82,33,081)	5,99,23,239
Other current liabilities .....	(75,49,157)	18,78,375
Other long-term liabilities .....	—	(80,49,132)
Short-term provisions .....	64,27,391	5,36,030
Long-term provisions .....	(46,23,030)	65,46,480
	<b>(10,46,12,759)</b>	<b>(7,85,70,776)</b>
<b>Cash generated from operations .....</b>	<b>23,00,77,115</b>	<b>14,97,65,134</b>
Net income tax paid .....	(11,96,21,652)	(9,52,23,613)
<b>Net cash flow from operations (A) .....</b>	<b>11,04,55,463</b>	<b>5,45,41,521</b>
<b>B. Cash flow from investing activities</b>		
Additions to fixed assets .....	(11,83,53,203)	(2,89,67,395)
Sale proceeds of fixed assets .....	24,446	1,64,481
Movement in earmarked accounts - unpaid dividend accounts* .....	(1,09,92,924)	(1,44,70,045)
Bank balances not considered as Cash and cash equivalents :		
- New deposits placed .....	(4,28,37,926)	—
- Proceeds of deposits .....	6,23,65,999	—
Current investments not considered as Cash and cash equivalents :		
- Purchased .....	(1,68,407)	(29,46,18,650)
- Proceeds from sale .....	45,64,500	18,25,51,317

**Cash Flow Statement for the year ended 31 March, 2016 (Contd.)**

<b>Particulars</b>	<b>For the year ended 31 March, 2016</b>	<b>For the year ended 31 March, 2015</b>
Proceeds from sale of long-term investments .....	—	8,97,15,130
Compensation received for Kasarwadi Land .....	<b>12,32,306</b>	1,87,39,914
Interest received .....	<b>40,04,808</b>	99,02,791
Dividend received .....	<b>81,93,176</b>	1,90,55,175
Rent income .....	<b>1,21,52,790</b>	1,44,79,920
<b>Net cash flow (used in) investing activities (B)</b>	<b>(7,98,14,435)</b>	(34,47,362)
* Note- These earmarked balances with bank can be utilized only for specific identified purposes		
<b>C. Cash flow from financing activities</b>		
Repayment of sales tax deferral .....	<b>(20,07,558)</b>	—
Receipt of Term loan .....	<b>61,13,688</b>	—
Repayment of Term Loan .....	<b>(16,44,933)</b>	(13,39,855)
Repayment of fixed deposits .....	<b>(20,000)</b>	(25,000)
Finance costs .....	<b>(48,91,360)</b>	(17,29,772)
Dividend paid .....	<b>(5,03,88,685)</b>	(1,83,74,869)
Tax on dividend .....	<b>(83,42,899)</b>	(39,30,617)
<b>Net cash flow used in financing activities (C) .....</b>	<b>(6,11,81,747)</b>	(2,54,00,113)
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(3,05,40,719)</b>	2,56,94,046
Cash and cash equivalent at the beginning of the year .....	<b>7,26,14,026</b>	4,69,19,980
Cash and cash equivalent at the end of the year .....	<b>4,20,73,307</b>	7,26,14,026
<b>Net increase/ (decrease) in cash or cash equivalents</b>	<b>(3,05,40,719)</b>	2,56,94,046
<b>Cash and Cash equivalents at the end of the year comprise</b>	<b>For the year ended 31 March, 2016</b>	<b>For the year ended 31 March, 2015</b>
a) Cash on hand .....	<b>46,523</b>	68,898
b) Balances with banks:		
(i) in current accounts .....	<b>4,18,51,784</b>	3,73,32,398
(ii) in other deposit accounts having maturity of less than 3 months	<b>1,75,000</b>	3,52,12,730
<b>Total Cash and Cash equivalents (refer note no.17)</b>	<b>4,20,73,307</b>	7,26,14,026
The accompanying notes are an integral part of the financial statements		

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**K. A. Katki**  
Partner  
Place : Mumbai  
Date : May 14, 2016

For and on behalf of the Board of Directors  
**S. F. Vakil** Chairperson and Managing Director  
**Kavas Patel** Director  
**Adi Jehangir** Director  
**Keki Elavia** Director  
**Anil Naik** Director  
**Nitin Nimkar** Chief Financial Officer  
**Kavita Thadeshwar** Company Secretary



## Notes forming part of the Consolidated Financial Statements

### 1 CORPORATE INFORMATION

Dai-ichi Karkaria Limited ("the Company" / "DIKL") was incorporated on 13th May, 1960 under the laws of the Republic of India and has its registered office at Mumbai (Maharashtra). The Company has a Joint venture with CTI Chemicals Asia Pacific Pte. Ltd., Singapore. The Joint Venture Company is known as Nalco Champion Dai-ichi India Pvt. Ltd. (NALCO) (Formerly Known as Champion Dai-ichi Technologies India Limited. (CDTIL)). The Company and NALCO are engaged in manufacture and sale of Specialty Chemicals. The manufacturing activities of the Company are carried out at its plants located at Kasarwadi and Kurkumbh, Pune and NALCO at Jejuri, Pune.

### 2 BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of accounting and preparation of financial statements

The consolidated financial statements of the Company and its subsidiary (together the 'Group') and jointly controlled entity have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention except for certain categories of fixed assets of the Company at a location acquired before 1 April, 1993, that are carried at revalued amounts. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

#### 2.2 Principles of consolidation

The consolidated financial statements relate to Dai-ichi Karkaria Limited (the 'Company'), its subsidiary company Dai-ichi Gosei Chemicals (India) Limited, where the holding company holds ninety seven percent of equity capital and its jointly controlled entity NALCO, where the holding company holds fifty percent of equity capital. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the subsidiary company & jointly controlled entity used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2016.
- (ii) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- (iii) Share of profit / loss, assets and liabilities in the jointly controlled entity, which is not subsidiary, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per AS 27 *Financial Reporting of Interests in Joint Ventures*. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity.
- (iv) The excess of cost to the Group of its investments in the subsidiary company / jointly controlled entity over its share of equity of the subsidiary companies / jointly controlled entity, at the dates on which the investments in the subsidiary company / jointly controlled entity were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary company / jointly controlled entity as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements.
- (v) Minority Interest in the net assets of the consolidated subsidiary consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary company were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiary attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- (vi) Goodwill arising on consolidation is not amortised but tested for impairment.
- (vii) Following subsidiary company and a jointly controlled entity have been considered in the preparation of the consolidated financial statements:

**Notes forming part of the Consolidated Financial Statements (Contd.)**

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly through subsidiary as at	
				31 March, 2016	31 March, 2015
Dai-ichi Gosei Chemicals (India) Limited	Subsidiary	India	DIKL	97%	97%
Nalco Champion Dai-ichi India Pvt Ltd. (Formerly known as Champion Dai-ichi Technologies India Ltd).	JCE	India	Co-venturers	50%	50%

**2.3 Use of estimates**

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**2.4 Inventories**

Inventories are valued at the lower of cost ( JCE - FIFO / Holding Company - weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

**2.5 Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand .Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition)

**2.6 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

**2.7 Depreciation and amortisation**

Depreciation is provided as per useful life prescribed in schedule II to the Companies Act, 2013 on:

- written down value method for assets at Kasarwadi, Pune & HO (including R & D assets).
- straight line method for fixed assets at Kurkumbh, Pune and at Jejuri.
- cost of leasehold land is amortized over the lease period.

Asset costing Rs 5,000/- or less are fully depreciated in the year of purchase.

Depreciation on certain assets of the Company located at Kasarwadi acquired prior to April 1, 1993 which are stated at revalued amounts and for which incremental depreciation which was hitherto adjusted out of revaluation reserve, has with effect from the previous financial year, pursuant to the enactment of 2013 Act, been depreciated in full without any such adjustment out of revaluation reserve.

Intangible assets are amortised over their estimated useful life on written down value method



## Notes forming part of the Consolidated Financial Statements (Contd.)

### 2.8 Revenue recognition

#### Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

#### Income from services

Income from other services rendered are recognized when the service is rendered and in according with service contracts.

### 2.9 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive is established.

### 2.10 Fixed Assets (Tangible / Intangible)

Fixed assets, except Free Hold Land and certain assets of the company located at Kasarwadi plant, are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. 'Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration.

The Group revalued certain assets located at Kasarwadi plant of the Company as on 1 April, 1993. The revalued assets are carried at the revalued amounts less accumulated depreciation until March 31, 2014 and impairment losses, if any. Increase in the net book value on such revaluation was credited to "Revaluation reserve account" except to the extent such increase is related to and not greater than a decreased arising from a revaluation / impairment that was previously recognised in the statement of Profit & Loss in which case such amount is credited to the statement of Profit & Loss. Decrease in book value on revaluation is charged to statement of Profit & Loss except where such decrease relates to a previously recognised increase that was credited to the revaluation reserve, in which case the decrease is charged to the revaluation reserve to the extent the reserve has not been subsequently reversed or utilised.

#### Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

### 2.11 Foreign currency transactions and translations

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Year end balance of monetary items is restated at closing rates. Exchange difference arising on restatement or settlement is charged to Statement of Profit and Loss. Non-monetary items of the group are carried at historical cost. Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the group are recognised as income or expense in the Statement of Profit and Loss.

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

### 2.12 Export incentives

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

## Notes forming part of the Consolidated Financial Statements (Contd.)

### 2.13 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

### 2.14 Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund, compensated absences.

#### Defined contribution plans

The Group's contributions to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employee.

#### Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

#### Long term Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date

### 2.15 Segment reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

### 2.16 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

### 2.17 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.





## **Notes forming part of the Consolidated Financial Statements (Contd.)**

### **2.18 Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

### **2.19 Research and development expenses**

All revenue expenditure is charged to Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

### **2.20 Impairment of assets**

The carrying amounts of tangible fixed assets are reviewed for impairment if events or changes in the circumstances indicate that the carrying value of the asset may not be recoverable. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Whenever the carrying value of an asset exceeds its recoverable amount, impairment is charged to statement of profit and loss.

### **2.21 Provisions and contingencies**

A provision is recognised when the group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

### **2.22 Service tax input credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

### **2.23 Proposed Dividend**

Proposed dividend as at the year end (including corporate dividend tax thereon), is provided for if recommended by the Board, and is subject to approval of members.

### **2.24 Operating Cycle**

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



**Notes forming part of the Consolidated Financial Statements**

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	₹	Number of shares	₹
<b>Note 3 : SHARE CAPITAL</b>				
(A) Authorised				
Equity shares of ₹ 10/- each with voting rights	<b>1,00,00,000</b>	<b>10,00,00,000</b>	1,00,00,000	10,00,00,000
(B) Issued, Subscribed and fully paid				
Equity shares of ₹ 10/- each with voting rights	<b>74,51,229</b>	<b>7,45,12,290</b>	74,51,229	7,45,12,290
<b>Total</b>	<b>74,51,229</b>	<b>7,45,12,290</b>	<b>74,51,229</b>	<b>7,45,12,290</b>

(C) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period

	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	₹	Number of shares	₹
<b>Equity shares</b>				
Opening balance	<b>74,51,229</b>	<b>7,45,12,290</b>	74,51,229	7,45,12,290
Add / (Less) : Equity shares issued / bought back during the year	—	—	—	—
Closing balance	<b>74,51,229</b>	<b>7,45,12,290</b>	<b>74,51,229</b>	<b>7,45,12,290</b>

(D) Details of equity shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares held	% holding	Number of shares	% holding
Equity shares with voting rights				
Mrs. S. F. Vakil *	<b>37,67,963</b>	<b>50.57</b>	9,98,390	13.40
Mrs. S. F. Vakil jointly with Mr. F.D.Neterwala and Mrs. P. R. Mehta *	—	—	4,92,240	6.61
Mrs. P. R. Mehta jointly with Mrs. S. F. Vakil and Mr. F. D. Neterwala *	—	—	16,87,500	22.65

\* During the year, Pursuant to family settlement amongst the promoters and their immediate relatives, Chairperson & Managing Director has acquired an additional shareholding of 37.17% by way of interse transfer/transmission. There is no change in promoters shareholding as at the year end as a result of above.

(E) There were no equity shares allotted as fully paid up pursuant to contracts without payment received in cash, there were no bonus shares allotted and there were no equity shares bought back, during the period of 5 years immediately preceding the Balance Sheet date.

(F) The Company has one class of equity shares having par value of ₹ 10/- per share. The dividend proposed by the Board of Directors is subject to the approval of the members at the ensuing AGM of the company, except in case of interim dividend which is paid as and when declared by the Board of Directors.

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



## Notes forming part of the Consolidated Financial Statements

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 4 : Reserves and Surplus</b>		
(a) Capital reserve		
Balance as at the beginning and end of the year .....	77,10,000	77,10,000
(b) Capital redemption reserve		
Balance as at the beginning and end of the year .....	15,51,710	15,51,710
(c) Securities premium account		
Balance as at the beginning and end of the year .....	25,94,37,591	25,94,37,591
(d) Revaluation reserve		
Balance as at the beginning and end of the year .....	3,54,25,307	3,54,25,307
(e) General reserve		
Balance as at the beginning and end of the year .....	5,19,29,482	5,19,29,482
(f) Reserve arising on deemed disposal of subsidiary		
Balance as at the beginning and end of the year .....	1,19,55,472	1,19,55,472
(g) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year .....	46,71,95,042	34,10,73,038
Add: Profit for the year	10,49,54,711	14,39,74,611
Less : Interim Dividend to equity shareholders ₹ 3.00 per share (Previous Year ₹ Nil) .....	2,23,53,687	—
Less : Dividend proposed to be distributed to equity shareholder ₹ Nil per share (Previous year ₹ 2.50 per share) .....	—	1,86,28,073
Less : Tax on dividend .....	45,50,670	37,24,534
Add: Dividend Received from Joint Venture.....	5,06,25,000	45,00,000
Less : Tax on dividend pertaining to earlier year .....	67,695	—
Balance as at the end of the year .....	59,58,02,701	46,71,95,042
(h) Share of Joint Venture ( refer note no.35)		
Balance as at the beginning of the year .....	17,32,89,522	8,96,88,869
Add: Profit for the year .....	11,36,75,166	8,88,65,428
Less : Dividend paid .....	5,06,25,000	45,00,000
Less : Dividend Distribution Tax Paid .....	1,01,22,064	7,64,775
Less : Tax on dividend pertaining to earlier year .....	1,83,996	—
Balance as at the end of the year .....	22,60,33,628	17,32,89,522
<b>Total</b>	<b>1,18,98,45,891</b>	<b>1,00,84,94,126</b>

## Notes forming part of the Consolidated Financial Statements

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 5 : Long-term borrowings</b>		
(a) Term loans from banks - Secured (refer Note (i) below) .....	—	68,968
(b) Term loans from others - Secured (refer Note (i) below) .....	<b>43,67,481</b>	—
(c) Deferred sales tax liability - Unsecured (refer Note (ii) below) .....	<b>52,14,524</b>	73,88,020
<b>Total</b>	<b>95,82,005</b>	74,56,988
Share of Joint Venture - Refer Note 35 .....	<b>33,782</b>	1,59,175
<b>Grand Total</b>	<b>96,15,787</b>	76,16,163

Note (i) The term loans are secured against hypothecation of the vehicles purchased under the loans and are payable in equated monthly installments (EMI) details as under :

Name of lender	Original Loan amount ₹	Rate of Interest %	EMI Amount ₹	Total Nos. of EMI Nos.	Outstanding EMI Nos.
HDFC Bank Ltd.	4,61,000	12.50%	10,268	60	8
Kotak Mahindra Prime Ltd.	13,00,000	9.50%	32,656	48	47
Daimler Financial Services Pvt Ltd.	48,13,688	9.25%	1,19,476	48	45
Bank of India (Joint Venture)	8,92,500	10.70%	22,938	48	15

Note (ii) Under the package scheme of incentive for industries in backward area, the Company has been sanctioned deferral of payment of sales tax collection for a period of 74 months commencing August 1, 2000 up-to an amount of ₹ 4,84,42,000 for the Kurkumbh unit at Pune. The deferred amount is recognized as long term borrowing and is unsecured, interest free and payable after a moratorium period of 10 years in 5 yearly equal installments which commence from year 2011.

The deferred sales tax liability is payable in annual installments as below:

Year	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
2015-16	—	20,07,553
2016-17	<b>21,73,501</b>	21,73,501
2017-18	<b>19,11,793</b>	19,11,793
2018-19	<b>15,01,600</b>	15,01,600
2019-20	<b>9,92,361</b>	9,92,361
2020-21	<b>5,85,818</b>	5,85,818
2021-22	<b>2,22,947</b>	2,22,947
<b>Total</b>	<b>73,88,020</b>	93,95,573

Note (iii) The group has not defaulted in repayment of principle and interest as at the Balance Sheet date.

For the current maturities of long term borrowings, refer item (a) of Note - 8 Other current liabilities



## Notes forming part of the Consolidated Financial Statements

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 6 : Long-term provisions</b>		
Provision for employee benefits:		
(i) Provision for gratuity .....	25,41,027	68,73,164
(ii) Provision for compensated absences .....	1,06,54,766	94,73,478
<b>Total</b>	<b>1,31,95,793</b>	<b>1,63,46,642</b>
Share of Joint Venture - Refer Note 35	5,67,988	20,40,169
<b>Grand Total</b>	<b>1,37,63,781</b>	<b>1,83,86,811</b>

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 7: Trade payables</b>		
Trade payables:		
i) Total outstanding dues of Micro Enterprises and Small Enterprises (refer note (i) below) .....	—	3,33,380
ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises [including acceptances of ₹ Nil (As at March 31, 2015 : ₹ 42,78,088)] .....	10,18,14,216	9,99,78,761
<b>Total</b>	<b>10,18,14,216</b>	<b>10,03,12,141</b>
Share of Joint Venture - Refer Note 35 .....	15,45,82,407	19,46,37,811
<b>Grand Total</b>	<b>25,63,96,623</b>	<b>29,49,49,952</b>

### Note (i):

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
(i) Principal Amount remaining unpaid to supplier as at the end of the accounting year .....	—	3,33,380
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year .....	—	—
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day .....	—	—
(iv) The amount of interest due and payable for the year .....	—	—
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year .....	—	—
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid .....	—	—
<b>Total</b>	<b>—</b>	<b>3,33,380</b>

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

## Notes forming part of the Consolidated Financial Statements

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 8 : Other current liabilities</b>		
(a) Current maturities of long term borrowings (refer note (i) below)		
(i) Term loans from banks & others .....	14,15,843	11,30,970
(ii) Deferred sales tax liability .....	21,73,501	20,07,553
(b) Deposit for rented premises .....	—	80,49,132
(c) Unpaid dividends .....	26,22,781	17,23,647
(d) Unencashed matured deposits .....	—	20,000
(e) Security Deposits .....	2,05,000	4,21,225
(f) Other payables :		
(i) Statutory remittances (TDS, Provident fund, Excise duty & Service Tax) .....	71,84,502	68,88,276
(ii) Payables on purchase of tangible fixed assets .....	11,26,797	5,24,487
(iii) Advance from customers .....	12,05,097	17,48,860
(iv) Other liabilities (Commission, bonus, etc.) .....	54,11,616	43,28,862
<b>Total</b>	<b>2,13,45,137</b>	<b>2,68,43,012</b>
Share of Joint Venture - Refer Note 35	4,479,336	51,89,901
<b>Grand Total</b>	<b>25,824,473</b>	<b>3,20,32,913</b>

Note (i): Refer Note 5 Long term borrowings for details of security

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 9: Short-term provisions</b>		
(a) Provision for employee benefits:		
(i) Provision for Compensated Absences .....	40,44,754	36,31,243
(ii) Provision for Gratuity .....	90,56,159	14,24,761
	<b>1,31,00,913</b>	<b>50,56,004</b>
(b) Provision - Others:		
(i) Provision for proposed equity dividend .....	—	1,86,28,073
(ii) Provision for tax on proposed dividends .....	—	37,24,534
	—	2,23,52,607
<b>Total</b>	<b>1,31,00,913</b>	<b>2,74,08,611</b>
Share of Joint Venture - Refer Note 35	92,32,367	58,59,644
<b>Grand Total</b>	<b>2,23,33,280</b>	<b>3,32,68,255</b>



## Notes forming part of the Financial Statements

### Note 10: Fixed assets

(in ₹)

Particulars	Gross block			Accumulated depreciation/amortisation			Net Block	
	As at 1 April, 2015	Additions	Deductions	As at 31 March, 2016	For the period	Deductions	As at 31 March, 2016	As at 31 March, 2015
<b>A. Tangible Assets</b>								
(a) Leasehold Land - Kurkumbh .....	18,58,391	—	—	<b>18,58,391</b>	3,33,267	—	<b>15,04,475</b>	15,25,124
Previous year .....	18,58,391	—	—	<b>18,58,391</b>	3,12,618	—	<b>15,25,124</b>	15,45,773
(b) Freehold Land .....	5,04,50,988	—	—	<b>5,04,50,988</b>	—	—	<b>5,04,50,988</b>	5,04,50,988
Previous year .....	5,36,30,801	—	31,79,813	<b>5,04,50,988</b>	—	—	<b>5,04,50,988</b>	5,36,30,801
(c) Buildings Residential .....	1,65,16,917	—	—	<b>1,65,16,917</b>	1,07,10,244	—	<b>1,19,59,848</b>	58,06,673
Previous year .....	1,65,16,917	—	—	<b>1,65,16,917</b>	93,44,514	—	<b>1,07,10,244</b>	71,72,403
(d) Buildings: Non Residential								
Own lease .....	6,45,86,039	—	—	<b>6,45,86,039</b>	5,59,38,420	—	<b>73,74,261</b>	86,47,619
Previous year .....	6,45,86,039	—	—	<b>6,45,86,039</b>	5,10,58,731	—	<b>5,59,38,420</b>	1,35,27,308
Given under operating lease .....	2,90,84,465	—	—	<b>2,90,84,465</b>	1,32,94,343	—	<b>1,61,31,628</b>	1,57,90,122
Previous year .....	2,90,84,465	—	—	<b>2,90,84,465</b>	1,01,54,101	—	<b>1,32,94,343</b>	1,89,30,364
(e) Plant & Equipments .....	31,74,13,213	2,93,19,404	—	<b>34,67,32,617</b>	27,09,08,169	—	<b>28,17,51,578</b>	4,65,05,044
Previous year .....	28,74,45,762	2,99,67,451	—	<b>31,74,13,213</b>	15,91,23,889	—	<b>27,09,08,169</b>	3,24,49,982
(f) Furniture & Fixtures .....	2,02,13,992	71,472	—	<b>2,02,85,464</b>	1,73,36,552	—	<b>1,87,77,154</b>	15,08,310
Previous year .....	2,01,96,892	17,100	—	<b>2,02,13,992</b>	1,13,68,835	—	<b>1,73,36,552</b>	28,77,440
(g) Office Equipment including Laboratory, Factory Equipment, Air Conditioners etc. ....	2,94,66,369	11,52,984	—	<b>3,06,19,353</b>	2,59,17,250	—	<b>2,71,78,859</b>	35,49,119
Previous year .....	2,75,78,152	18,88,217	—	<b>2,94,66,369</b>	2,12,76,212	—	<b>2,59,17,250</b>	63,01,940
(h) Vehicles .....	1,20,61,581	58,68,379	—	<b>1,79,29,960</b>	96,89,753	—	<b>1,12,82,799</b>	23,71,828
Previous year .....	1,22,11,822	2,05,025	3,55,266	<b>1,20,61,581</b>	53,50,052	3,52,002	<b>96,89,753</b>	68,61,770
<b>Scientific Research- Capital Expenditure :</b>								
(a) Buildings - Non Residential .....	14,20,149	—	—	<b>14,20,149</b>	13,63,886	—	<b>13,66,738</b>	56,263
Previous year .....	14,20,149	—	—	<b>14,20,149</b>	13,60,677	—	<b>13,63,886</b>	59,472
(b) Plant & Equipments .....	79,88,223	—	—	<b>79,88,223</b>	70,32,511	—	<b>72,82,913</b>	7,05,310
Previous year .....	78,33,779	1,54,444	—	<b>79,88,223</b>	61,20,287	—	<b>70,32,511</b>	17,13,492
(c) Furniture & Fixtures .....	6,31,513	—	—	<b>6,31,513</b>	6,02,169	—	<b>6,02,169</b>	29,344
Previous year .....	6,31,513	—	—	<b>6,31,513</b>	6,02,169	—	<b>6,02,169</b>	29,344
(d) Office Equipment including Laboratory, Factory Equipment, Air Conditioners etc. ....	1,59,68,813	78,565	—	<b>1,60,47,378</b>	1,50,14,356	—	<b>1,51,06,485</b>	9,40,893
Previous year .....	1,57,31,217	2,37,596	—	<b>1,59,68,813</b>	1,34,37,175	—	<b>1,50,14,356</b>	22,94,042
<b>Total Tangible Assets</b>	<b>56,76,60,653</b>	<b>3,64,90,804</b>	<b>35,35,079</b>	<b>60,41,51,457</b>	<b>42,81,40,920</b>	<b>3,52,002</b>	<b>15,51,45,592</b>	<b>13,95,19,726</b>
Previous year .....	53,87,25,899	3,24,69,833	35,35,079	<b>56,76,60,653</b>	38,53,81,151	—	<b>42,81,40,920</b>	<b>13,95,19,726</b>
Add: Share of Joint Venture -Note no 35	3,63,56,219	10,09,442	2,04,808	<b>3,71,60,854</b>	1,57,52,779	1,94,567	<b>1,78,26,619</b>	<b>1,93,34,235</b>
Previous year .....	2,87,10,953	83,78,558	7,33,292	<b>3,63,56,219</b>	1,36,55,092	25,09,533	<b>1,57,52,779</b>	<b>2,06,03,440</b>
<b>Total</b>	<b>60,40,16,872</b>	<b>3,75,00,246</b>	<b>2,04,808</b>	<b>64,13,12,311</b>	<b>44,38,93,699</b>	<b>1,94,567</b>	<b>46,68,32,484</b>	<b>17,44,79,827</b>
Previous year .....	56,74,36,852	4,08,48,391	42,68,371	<b>60,40,16,872</b>	39,90,36,243	7,63,847	<b>44,38,93,699</b>	<b>16,01,23,166</b>
<b>B. Intangible Assets (Acquired)</b>								
Computer Software .....	9,26,620	—	—	<b>9,26,620</b>	1,788	—	<b>8,80,198</b>	46,422
Previous year .....	926,620	—	—	<b>926,620</b>	61,372	—	<b>878,410</b>	48,210
Add: Share of Joint Venture -Note no 35	—	—	—	—	—	—	—	—
Previous year .....	—	—	—	—	—	—	—	—
<b>Total</b>	<b>926,620</b>	<b>—</b>	<b>—</b>	<b>926,620</b>	<b>1,788</b>	<b>—</b>	<b>880,198</b>	<b>46,422</b>
Previous year .....	926,620	—	—	<b>926,620</b>	61,372	—	<b>878,410</b>	<b>48,210</b>
<b>Total (A+B)</b>	<b>604,943,492</b>	<b>37,500,246</b>	<b>204,808</b>	<b>642,238,931</b>	<b>444,772,109</b>	<b>194,567</b>	<b>467,712,682</b>	<b>174,526,249</b>
Previous year .....	588,363,472	40,848,391	4,268,371	<b>604,943,492</b>	399,853,281	763,847	<b>444,772,109</b>	<b>160,171,376</b>
<b>C. Capital Work-in-Progress :</b>								
Add: Share of Joint Venture -Note no 35	—	—	—	—	—	—	—	—
<b>Total Capital Work-in-Progress</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

Note: The Company's Freehold Land, Factory Building and Leasehold Land is mortgaged to Bank of India, Mumbai. However there is no loan outstanding, in respect of the same.

## Notes forming part of the Consolidated Financial Statements

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 11 : Non-current investments</b>		
Investments (at cost, unless otherwise stated)		
A) Other than trade, in equity instruments		
a) Quoted:		
57,167 shares (Previous year 57,167 shares) of ₹ 10 each fully paid up in Clariant Chemicals (India) Limited .....	13,62,502	13,62,502
8,100 shares (Previous year 8,100 shares) of ₹ 10 each fully paid up in Bank of India .....	3,64,500	3,64,500
2,000 shares (Previous year 2,000 shares) of ₹ 2 each in Bharat Seats Limited .....	2,000	2,000
b) Unquoted:		
1,000 shares (Previous year 1,000 shares ) of ₹ 25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited .....	25,000	25,000
2,500 shares (Previous year 2,500 shares) of ₹ 10 each fully paid up of The Saraswat Co-operative Bank Limited .....	25,000	25,000
4,000 shares (Previous year 4,000 shares) of ₹ 25 each fully paid up of The Zoroastrian Co-operative Bank Limited .....	1,00,000	100,000
	<b>18,79,002</b>	<b>18,79,002</b>
B) Other than trade, in debentures or preference shares or bonds		
a) Quoted:		
10 units (Previous year 10 units) of 11.40% Tata Power Perpetual Bonds of ₹ 10,00,000 each .....	1,05,25,000	1,05,25,000
2,472 units (Previous year 2,472 units) of NHAI Bonds (Tranche-I) of ₹ 1,000 each .....	24,72,000	24,72,000
b) Unquoted:		
Nil Preference shares (Previous year 45,645 shares) of L & T Finance Holdings Limited .....	—	45,64,500
	<b>1,29,97,000</b>	<b>1,75,61,500</b>
C) Other than trade, in mutual funds		
a) Quoted:		
1580 Grams (Previous year 1580 grams) in Benchmark MF Gold Be es.....	29,55,536	29,55,536
	<b>29,55,536</b>	<b>29,55,536</b>
<b>Total Non Current Investments</b>	<b>1,78,31,538</b>	<b>2,23,96,038</b>
Share of Joint Venture - Refer Note 35	13,500	13,500
<b>Grand Total</b>	<b>1,78,45,038</b>	<b>2,24,09,538</b>
Notes :		
1) Aggregate cost of quoted investments	1,76,81,538	1,76,81,538
2) Aggregate market value of listed and quoted investments	5,26,32,906	6,54,49,166
3) Aggregate cost of unquoted investments	1,50,000	47,14,500



## Notes forming part of the Consolidated Financial Statements

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 12 : Deferred tax assets (net)</b>		
Deferred tax assets		
On Employee benefits .....	92,02,439	72,74,759
On Provision for Doubtful Trade Receivables .....	4,19,625	6,13,962
On Commission .....	2,95,553	6,93,188
On Bonus .....	11,88,865	11,55,378
On Tangible fixed assets .....	17,70,591	15,89,280
On others .....	—	5,62,656
<b>Total</b>	<b>1,28,77,073</b>	<b>1,18,89,223</b>
Share of Joint Venture - Refer Note 35 .....	41,44,677	25,02,252
<b>Grand Total</b>	<b>1,70,21,750</b>	<b>1,43,91,475</b>

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 13 : Long-term loans and advances</b>		
Unsecured considered good		
(a) Capital Advances .....	1,54,875	31,16,161
(b) Security deposits .....	1,92,07,905	1,61,82,053
(c) Loans and advances to employees .....	—	9,338
(d) Prepaid expenses .....	2,61,584	2,80,723
(e) VAT credit receivable .....	30,36,224	22,20,603
(f) Advance Income Tax (Net of provisions ₹ 26,75,29,928) (Previous year ₹ 21,08,29,928) .....	3,25,46,344	3,09,28,437
<b>Total</b>	<b>5,52,06,932</b>	<b>5,27,37,315</b>
Share of Joint Venture - Refer Note 35 .....	13,08,67,561	7,94,91,658
<b>Grand Total</b>	<b>18,60,74,493</b>	<b>13,22,28,973</b>

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 14 : Current investments</b>		
Other than trade (Valued at cost or market value whichever is less)		
Unquoted Mutual Funds (refer note (i) below) .....	37,90,53,494	39,23,36,223
<b>Total</b>	<b>37,90,53,494</b>	<b>39,23,36,223</b>
Share of Joint Venture - Refer Note 35 .....	33,00,160	31,31,753
<b>Grand Total</b>	<b>38,23,53,654</b>	<b>39,54,67,976</b>

**Notes :**

1) Aggregate cost of quoted investments .....	—	—
2) Aggregate market value of listed and quoted investments .....	—	—
3) Aggregate cost of unquoted investments .....	38,23,53,654	39,54,67,976



**Notes forming part of the Consolidated Financial Statements****Note (i) Investment in Mutual Funds ( Current Investments)**

Name of Mutual Fund	Scheme of Mutual Fund	Face Value	As at 31 March 2016		As at 31 March 2015	
			No of units	₹	No of units	₹
Birla Sun Life	Saving Fund- Daily Dividend - Regular Plan - Reinvestment	10	4,54,376	4,55,72,590	5,58,387	5,60,04,565
Birla Sun Life	Frontline Equity Fund - Growth - Regular Plan	10	33,772	50,00,000	33,772	50,00,000
Birla Sun Life	Dynamic Bond Fund - Retail - Growth - Regular Plan	10	9,93,745	2,00,00,000	9,93,745	2,00,00,000
BNP Paribas	Medium Term Income Fund Growth	10	10,27,069	1,07,00,000	10,27,069	1,07,00,000
DSP BlackRock	DSP BlackRock Top 100 Equity Fund - Regular Growth	10	40,659	34,51,614	40,659	34,51,614
DWS	Gilt Fund -Growth	10	7,58,627	1,00,00,000	7,58,627	1,00,00,000
DWS	Treasury Fund - Cash - Growth	10	—	—	83,308	1,09,43,500
Franklin Templeton	Short Term Income Plan - Retail Plan	10	10,713	3,05,00,000	3,970	1,05,00,000
Franklin Templeton	Corporate Bond Opportunities Fund	10	9,02,364	1,00,00,000	9,02,364	1,00,00,000
Franklin Templeton	Ultra Short Term Fund - Super Institutional Plan	10	23,59,686	2,37,36,846	12,36,166	1,24,12,783
ICICI Prudential	Interval II Quarterly C - Regular Plan Growth	10	—	—	17,99,142	1,80,02,900
ICICI Prudential	Flexible Income Plan Regular - Daily Dividend	10	—	—	76,416	80,75,136
ICICI Prudential	Flexible Income Plan - Regular Growth	10	—	—	19,402	44,41,144
ICICI Prudential	Balance Advantage Fund RP Growth	10	4,25,894	1,00,00,000	4,25,894	1,00,00,000
IDFC	Banking Debt Fund - Regular Plan - Growth	10	18,24,934	2,00,00,000	18,24,934	2,00,00,000
IDFC	Dynamic Bond Fund - Growth - (Regular Plan)	10	24,20,037	4,00,00,000	24,20,037	4,00,00,000
IDFC	Arbitrage Plus Fund - Dividend - ( Regular Plan)	10	8,40,966	1,00,27,506	8,40,966	1,00,11,108
JM	Arbitrage Advantage Fund - Bonus Option	10	10,01,875	1,00,00,000	10,01,875	1,00,00,000
Kotak	Floater Short Term - Daily Dividend	10	43,361	4,38,64,938	41,116	4,15,93,473
Reliance	Equity Opportunities Fund - Growth Plan - Growth Option	10	75,526	50,00,000	75,526	50,00,000
Reliance	Short Term Fund- Growth Plan - Growth Option	10	27,53,558	7,12,00,000	25,71,862	6,62,00,000
Sundaram	Flexible Fund - Short Term Plan Regular Growth	10	4,99,820	1,00,00,000	4,99,820	1,00,00,000
<b>Total</b>				<b>37,90,53,494</b>		<b>39,23,36,223</b>
Share of Joint Venture - Refer Note 35 .....				<b>33,00,160</b>		<b>31,31,753</b>
<b>Total</b>				<b>38,23,53,654</b>		<b>39,54,67,976</b>



## Notes forming part of the Consolidated Financial Statements

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 15 : Inventories</b>		
At lower of cost and net realisable value		
(a) Raw materials & Packing Materials .....	<b>5,40,13,730</b>	4,58,60,457
Material-in-transit .....	<b>53,34,694</b>	43,41,146
	<b>5,93,48,424</b>	5,02,01,603
(b) Fuels .....	<b>15,92,818</b>	24,44,365
(c) Work-in-progress		
Textile .....	—	9,07,935
Anionic/Cationic .....	<b>1,50,431</b>	3,83,300
Non Ionic .....	<b>13,86,938</b>	8,74,626
Oil Field .....	<b>5,14,722</b>	—
Miscellaneous .....	<b>24,85,441</b>	92,283
	<b>45,37,532</b>	22,58,144
(d) Semi Finished Goods .....	<b>1,52,65,203</b>	1,62,84,127
(e) Finished goods .....	<b>4,36,74,210</b>	4,51,26,333
<b>Total</b>	<b>12,44,18,187</b>	11,63,14,572
Share of Joint Venture - Refer Note 35 .....	<b>3,50,75,207</b>	4,85,21,308
<b>Grand total</b>	<b>15,94,93,394</b>	16,48,35,880

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 16 : Trade receivables</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured - considered Good .....	<b>4,57,045</b>	6,24,348
- considered Doubtful .....	<b>12,12,510</b>	18,06,303
	<b>16,69,555</b>	24,30,651
Less: Provision for doubtful trade receivables .....	<b>12,12,510</b>	18,06,303
	<b>4,57,045</b>	6,24,348
Other Trade receivables - Unsecured considered Good .....	<b>18,32,76,529</b>	18,15,70,906
<b>Total</b>	<b>18,37,33,574</b>	18,21,95,254
Share of Joint Venture - Refer Note 35 .....	<b>18,59,55,166</b>	19,33,74,540
<b>Grand Total</b>	<b>36,96,88,740</b>	37,55,69,794

## Notes forming part of the Consolidated Financial Statements

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 17 : Cash and cash equivalents</b>		
A. Cash and cash equivalents (as per AS 3 Cash Flow Statement)		
(a) Cash on hand .....	42,462	65,595
(b) Balances with banks		
(i) In current accounts .....	1,45,25,080	1,79,07,704
(ii) In EEFC accounts .....	2,25,80,304	94,63,462
(iii) In other deposit accounts		
- Original maturity of 3 months or less .....	1,75,000	2,01,75,000
Share of Joint Venture- Refer note no 35 .....	47,50,461	2,50,02,265
<b>Total - Cash and cash equivalents (as per AS 3 Cash Flow Statement) (A)</b>	<b>4,20,73,307</b>	<b>7,26,14,026</b>
B. Other bank balances (Refer Note (i) below)		
(i) In other deposit accounts		
- Original maturity of more than 3 months .....	1,00,00,000	1,00,00,000
(ii) In earmarked accounts		
- Unpaid dividend accounts .....	26,22,781	17,30,647
- Balances held as margin money against guarantees and other commitments .....	1,90,16,679	89,15,888
Share of Joint Venture- Refer note no 35 .....	2,20,45,203	2,12,57,502
<b>Total - Other bank balances (B)</b>	<b>5,36,84,663</b>	<b>4,19,04,037</b>
<b>Total Cash and cash equivalents (A+B)</b>	<b>9,57,57,970</b>	<b>11,45,18,063</b>
(i) Balances with banks include deposits with remaining maturity of more than 12 months from the balance sheet date .....	5,52,817	1,00,00,000

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 18 :Short-term loans and advances</b>		
Unsecured, considered Good		
(a) Loans and advances to employees .....	1,18,609	1,65,079
(b) Prepaid expenses .....	37,55,668	27,22,926
(c) Balances with government authorities		
i) Cenvat credit receivable .....	1,76,74,805	63,17,513
ii) Service Tax credit receivable .....	1,30,86,346	26,95,506
iii) Duty drawback receivable .....	13,18,831	21,71,089
(d) Others (advances to suppliers etc.) .....	80,69,633	1,52,62,227
<b>Total</b>	<b>4,40,23,892</b>	<b>2,93,34,340</b>
Share of Joint Venture- Refer note no 35 .....	23,46,248	24,70,883
<b>Grand total</b>	<b>4,63,70,140</b>	<b>3,18,05,223</b>



## Notes forming part of the Consolidated Financial Statements

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 19 : Other Current Assets</b>		
(a) Interest accrued on bank deposits .....	2,34,986	88,480
(b) Interest accrued on other deposits .....	7,58,418	7,58,277
<b>Total</b>	<b>9,93,404</b>	<b>8,46,757</b>
Share of Joint Venture- Refer note no 35 .....	22,04,789	6,43,419
<b>Grand total</b>	<b>31,98,193</b>	<b>14,90,176</b>

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Note 20 : Revenue from operations</b>		
a) Sale of products (Gross) (Refer Note (i) below) .....	1,23,32,39,664	1,10,83,75,751
b) Sale of services (Job work) .....	43,11,844	12,82,322
c) Other operating revenues (Refer Note (ii) below) .....	1,18,56,165	69,69,873
Revenue from operation (Gross) .....	1,24,94,07,673	1,11,66,27,946
d) Less: Excise duty on revenue from operations .....	8,61,00,724	9,39,31,077
	1,16,33,06,949	1,02,26,96,869
e) Add :Share of Joint Venture - Refer Note 35 .....	77,49,45,802	78,73,08,744
<b>Grand total</b>	<b>1,93,82,52,751</b>	<b>1,81,00,05,613</b>

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Note:</b>		
(i) Sale of products comprises:		
<u>Manufactured goods</u>		
Anionic / Cationic .....	12,75,79,009	17,86,30,257
Non Ionic .....	22,57,83,276	22,59,44,293
Textile .....	11,04,67,213	10,75,45,233
Oil Field .....	47,75,22,490	27,34,65,969
Flocculants .....	6,50,97,332	7,48,58,125
Others .....	22,67,90,344	24,79,31,874
<b>Total - Sale of manufactured goods</b>	<b>1,23,32,39,664</b>	<b>1,10,83,75,751</b>
(ii) Other operating revenues comprise:		
Duty drawback .....	80,77,353	41,41,348
Commission .....	—	42,145
Scrap sales .....	28,12,252	20,44,013
Other (Discount).....	9,66,560	7,42,367
<b>Total - Other operating revenues</b>	<b>1,18,56,165</b>	<b>69,69,873</b>

## Notes forming part of the Consolidated Financial Statements

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Note 21 : Other income</b>		
(a) Interest income (Refer Note (i) below) .....	37,14,988	85,25,771
(b) Dividend income:		
from current investments .....	75,63,213	70,79,099
from long-term investments .....	4,59,531	1,17,94,727
(c) Net gain on sale of investments		
Current investments .....	70,16,645	1,28,29,394
(d) Other non operating income		
Rental income from operating lease .....	1,21,52,790	1,44,79,920
Profit on sale of fixed assets (Refer note 29.3) .....	12,32,306	1,55,94,171
Sundry balances written back .....	3,20,247	2,57,756
Miscellaneous receipts .....	2,11,030	1,69,258
Net gain on foreign currency transactions and translation .....	70,56,778	35,10,403
<b>Total</b>	<b>3,97,27,528</b>	<b>7,42,40,499</b>
Share of Joint Venture- Refer note no 35 .....	27,13,826	15,78,701
<b>Grand total</b>	<b>4,24,41,354</b>	<b>7,58,19,200</b>
<b>Note:</b>		
<b>(i) Interest income comprises:</b>		
Interest from banks on deposits .....	19,56,682	18,04,019
Interest from banks on other balances .....	43	595
Interest on loans and advances .....	1,406	5,498
Interest income from long term investments .....	13,43,238	13,42,704
Other Interest .....	4,13,619	53,72,955
<b>Total</b>	<b>37,14,988</b>	<b>85,25,771</b>
<b>Note 22 : Cost of materials consumed</b>		
Opening Stock .....	5,02,01,603	5,50,20,576
Add : Purchases .....	72,89,66,148	68,44,40,721
Less : Closing Stock .....	(5,93,48,424)	(5,02,01,603)
Cost of materials consumed .....	71,98,19,327	68,92,59,694
<b>Raw Materials consumed comprises :</b>		
Ethylene Oxide .....	14,67,85,712	19,26,28,441
Fatty Alcohol, Phenol & Glycol .....	21,18,70,739	16,96,80,408
Oils & Fatty Acids .....	2,11,82,616	3,25,83,313
Acrylamide .....	1,72,97,557	2,73,67,635
Amines .....	3,84,59,719	3,40,19,709
Other items .....	28,42,22,984	23,29,80,188
<b>Total</b>	<b>71,98,19,327</b>	<b>68,92,59,694</b>
Share of Joint Venture- Refer note no 35 .....	41,46,77,218	47,31,58,493
<b>Grand total</b>	<b>1,13,44,96,545</b>	<b>1,16,24,18,187</b>



## Notes forming part of the Consolidated Financial Statements

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Note 23 :Changes in inventories of finished goods, work-in-progress</b>		
<u>Inventories at the end of the year</u>		
Finished Goods .....	4,36,74,210	4,51,26,333
Semi Finished Goods .....	1,52,65,203	1,62,84,127
<u>Work-in-progress :</u>		
Textile .....	—	9,07,935
Anionic / Cationic .....	1,50,431	3,83,300
Non Ionic .....	13,86,938	8,74,626
Oil field .....	5,14,722	—
Miscellaneous .....	24,85,441	92,283
	<u>6,34,76,945</u>	<u>6,36,68,604</u>
<u>Inventories at the beginning of the year</u>		
Finished Goods .....	4,51,26,333	3,05,85,437
Semi Finished Goods .....	1,62,84,127	1,30,74,665
<u>Work-in-progress :</u>		
Textile .....	9,07,935	9,09,642
Anionic / Cationic .....	3,83,300	3,03,160
Non Ionic .....	8,74,626	14,38,530
Sizing .....	92,283	6,97,101
	<u>6,36,68,604</u>	<u>4,70,08,535</u>
<b>Net (increase) / decrease</b>	<b>1,91,659</b>	<b>(1,66,60,069)</b>
Share of Joint Venture- Refer note no 35 .....	61,57,732	(61,32,634)
<b>Grand total</b>	<u><b>63,49,391</b></u>	<u><b>(2,27,92,703)</b></u>
Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Note 24 : Employee benefits expense</b>		
Salaries and wages .....	10,99,41,643	10,07,55,031
Contributions to provident and other funds .....	1,14,86,335	1,06,03,441
Staff welfare expenses .....	86,94,835	80,46,687
<b>Total</b>	<b>13,01,22,813</b>	<b>11,94,05,159</b>
Share of Joint Venture- Refer note no 35 .....	4,25,09,987	3,37,80,061
<b>Grand total</b>	<u><b>17,26,32,800</b></u>	<u><b>15,31,85,220</b></u>

**Notes forming part of the Consolidated Financial Statements**

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Note 25 : Finance costs</b>		
Interest on Term Loans * .....	1,84,546	2,32,173
Interest on Service Tax .....	43,00,784	—
Interest- Others (Sales Tax) .....	94,353	6,93,620
<b>Total</b>	<b>45,79,683</b>	<b>9,25,793</b>
Share of Joint Venture- Refer note no 35 .....	3,11,677	8,03,979
<b>Grand total</b>	<b>48,91,360</b>	<b>17,29,772</b>

\* No borrowing cost has been capitalised since there are no qualifying assets

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Note 26 : Other Expenses</b>		
Consumption of stores and spare parts .....	82,59,344	77,82,465
Excise duty* .....	12,66,398	1,14,867
Power and fuel .....	4,32,25,181	4,48,00,087
Rent .....	44,14,752	26,29,774
Repairs and maintenance:		
Buildings .....	7,97,898	12,75,237
Plant & Equipment .....	67,28,586	45,03,983
Others .....	36,15,242	40,25,945
Insurance .....	19,40,332	16,02,584
Rates and taxes .....	34,57,990	26,42,249
Freight Expenses .....	2,64,42,648	2,07,53,115
Commission on sales .....	1,58,53,450	1,87,75,090
Donations .....	20,000	2,00,000
Expenditure on Corporate Social Responsibility (refer 29.6) .....	5,00,000	11,63,000
Bank Charges .....	29,72,907	26,87,236
Telephone, telex and telegrams .....	21,70,947	20,28,938
Vehicle Expenses .....	10,31,527	11,38,379
Legal and professional .....	83,76,403	76,73,332
Travelling Expenses .....	46,70,200	29,10,339
Directors Siting Fees .....	12,25,000	10,17,500
Payments to auditors (Refer note (i) below) .....	42,41,822	28,05,638
Provision for doubtful trade and other receivables.....	—	3,19,411
(Reversal) / Diminution in the value of current investment .....	(16,399)	16,399
Bad trade and other receivables, loans & advances written off (Net of provision of earlier years adjusted ₹ 5,93,793 (Previous year ₹ Nil)) .....	6,17,648	4,636
Miscellaneous expenses .....	2,47,30,746	1,88,93,734
<b>Total</b>	<b>16,65,42,622</b>	<b>14,97,63,938</b>
Share of Joint Venture- Refer note no 35 .....	13,74,46,400	14,64,64,543
<b>Grand total</b>	<b>30,39,89,022</b>	<b>29,62,28,481</b>

\* represents excise duty on difference between closing and opening stock



## Notes forming part of the Consolidated Financial Statements

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Note:</b>		
Payments to the auditors comprises (net of service tax)		
To statutory auditors		
For audit fees .....	24,76,588	17,25,618
For Tax audit .....	8,59,000	—
For Limited review .....	9,00,000	7,50,000
For out of pocket expenses .....	6,234	2,520
For Other services .....	—	3,27,500
<b>Total</b>	<b>42,41,822</b>	<b>28,05,638</b>

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Note 27 : Tax expense</b>		
a) Current Tax		
for the year .....	5,67,00,230	4,99,01,690
for earlier year .....	—	(164)
<b>Total</b>	<b>5,67,00,230</b>	<b>4,99,01,526</b>
Share of Joint Venture- Refer note no 35 .....	6,25,00,000	5,05,00,000
<b>Grand total</b>	<b>11,92,00,230</b>	<b>10,04,01,526</b>
b) Deferred Tax for the year .....	(9,87,850)	(76,37,794)
<b>Total</b>	<b>(9,87,850)</b>	<b>(76,37,794)</b>
Share of Joint Venture- Refer note no 35 .....	(16,42,425)	(17,07,885)
<b>Grand total</b>	<b>(26,30,275)</b>	<b>(93,45,679)</b>

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
<b>Note 28 : Depreciation and amortisation expenses</b>		
Depreciation for the year on tangible assets as per Note 10 A .....	2,08,64,945	4,31,11,771
Amortisation for the year on intangible assets as per Note 10 B .....	1,788	61,372
<b>Total</b>	<b>2,08,66,733</b>	<b>4,31,73,143</b>
Share of Joint Venture- Refer note no 35 .....	22,68,407	25,09,533
<b>Grand total</b>	<b>2,31,35,140</b>	<b>4,56,82,676</b>



## Notes forming part of the Consolidated financial statements

## Note 29 Additional information to the consolidated Financial Statements

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>29.1 Contingent liabilities and commitments (to the extent not provided for)</b>		
(i) Contingent liabilities		
Claims against the Company not acknowledged as debt :		
(a) Pending litigations :		
1. Octroi (classification of raw materials)*	<b>2,43,07,427</b>	2,43,07,427
2. Disputed income tax demands in respect of deductions/disallowances for earlier years pending with Appellate Tribunals (Determination of nature of receipt)	<b>3,15,52,936</b>	3,19,58,492
* Includes ₹ 1,41,97,321 (previous year ₹ 1,41,97,321) for which bank guarantee has been given and shown under 29.1 (i) (c).		
(b) Others		
1. Labour matters ( back wages and compensation under Workmen Compensation Act)	<b>25,31,985</b>	18,52,485
2. Disputed income tax demands in respect of deductions/disallowances for earlier years pending with CIT Appeals ( Disallowance for sec 14A Expenses, Legal & Professional Charges, Commission, Donation, Business promotion expense)	<b>3,71,72,503</b>	1,08,44,540
3. Disputed Sales Tax demands for set off claimed on unmatched input credit	<b>78,98,343</b>	78,98,343
4. Service Tax (Dispute on mode of payment)	<b>60,44,592</b>	1,21,15,982
(c) Guarantees issued to others by Bank secured by counter guarantee of the company and by charge on the fixed assets, inventories and book debts of the company	<b>1,41,97,321</b>	1,41,97,321
(d) Customs duty bonds**	<b>75,63,537</b>	3,11,95,150
**Includes ₹ 7,563,537 (previous year ₹ 7,563,537) of Bonds, issued jointly in name of the Company and Nalco Champion Dai-ichi India Pvt. Ltd. (Formerly known as Champion Dai-ichi Technologies India Ltd. ) (Jointly Controlled Entity)		
(e) Share of Group in contingent liabilities of joint venture	<b>4,83,00,000</b>	4,20,06,400

(f) The wage agreement with employees at Kasarwadi Plant had expired on 30th November, 2008. Negotiations with employees are in progress. Pending finalisation of an agreement, the group has made an accrual of ₹ 84,86,994/- ( Previous year ₹ 83,46,104/-) based on its estimate of likely settlement with the employees. The group does not expect any further significant additional liability on this account.

Future outflow in respect of above matters are determinable only on receipt of judgement/decisions pending at various forums/ authorities



## Notes forming part of the Consolidated financial statements

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	<b>64,000</b>	23,62,788
(b) Share of Group in commitments of a joint venture	<b>7,99,481</b>	7,40,296

### 29.2 Details on derivative instruments and unhedged foreign currency exposures

- I. There were no forward exchange contract entered during financial year and outstanding as at March 31, 2016 (Previous year Nil).
- II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

As at 31 March, 2016				As at 31 March, 2015		
Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable) Rupees	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable) in Foreign currency
₹	(USD)	₹	(GBP)	₹	(USD)	(GBP)
<b>7,16,66,835</b>	<b>11,00,161</b>	—	—	4,81,76,526	7,77,859	—
<b>(3,89,75,260)</b>	<b>(5,79,493)</b>	<b>(22,753)</b>	<b>(233)</b>	(6,84,75,091)	(10,92,217)	(—)

**29.3** Other Income includes ₹ 12,32,306 /- being additional compensation received during the year in respect of compulsory acquisition of parcel of land at Kasarwadi by Government of Maharashtra.

**29.4** During the previous year, the group has sold its remaining holdings in Inogent Laboratories Pvt. Ltd at a consideration of ₹ 8,97,15,130 resulting in a profit of ₹ 7,45,22,823 which is disclosed as an exceptional item in the Statement of Profit & Loss.

**29.5** During the previous year, with effect from April , 2014, the Company had revised estimated useful lives of fixed assets as per the lives prescribed in the schedule II to the Companies Act, 2013. During the current year, the management has confirmed its reassessment of the useful lives of assets, which is in line with such assertion in the previous year. Further, assets individually costing ₹ 5,000/- or less continue to be depreciated fully in the year of purchase. The details of previously applied depreciation method, rates/useful life are as follows.

**(a) For Holding Company**

Sr. No.	Asset	Revised useful life based on wdv for year ended 2016 and year ended 2015	Revised useful life based on SLM or the year ended 2016 and year ended 2015
		<b>HO &amp; Kasarwadi</b>	<b>Others</b>
1	Factory Buildings	30 years	30 years
2	Residential Building	60 years	—
3	Computers and Data Processing Equipment	3 years	3 years
4	Plant and Equipment	20 years	20 years
5	Furniture and Fixtures	10 years	10 years
6	Lab Equipment	10 years	10 years
7	Vehicles	8 years	8 years

**(b) For Jointly controlled entity**

Sr. No.	Asset	Revised useful life based on SLM or the year ended 2016 and year ended 2015
1	Factory Buildings	30 years
2	Computers and Data Processing Equipment	3 years
3	Plant and Equipment	15/20 years
4	Furniture and Fixtures	10 years
5	Vehicles	8 years

**29.6 Corporate Social Responsibility Expenditure**

In terms of Section 135 of the Companies Act, 2013, the group was required to spend the gross amount of ₹ 30,08,250/- (previous year ₹ 18,67,000/-) during the year on Corporate Social Responsibility (CSR) activities.

During the year, the group has charged to the statement of profit and loss account an amount of ₹ 7,50,000 (previous year ₹ 18,67,000) on CSR activities.

**Note 30 Disclosures under Accounting Standards**

**30.1 Employee benefit plans**

**(A) Defined contribution plans**

The Company provides Provident Fund and Employee State Insurance Scheme fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the group is required to contribute a specified percentage of the payroll costs to fund the benefits. The group recognised ₹ 76,01,168 (previous year ₹ 70,23,513) for Provident Fund contributions and ₹ 2,64,751 (previous year ₹ 4,25,739) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

**(B) Defined benefit plans**

The Defined Benefit Plans comprise of Gratuity. Gratuity is a benefit to an employee based on 15 days of last drawn salary for each completed year of service.



## Notes forming part of the Consolidated financial statements

Particulars	Year ended 31 March, 2016 Gratuity (Funded) ₹	Year ended 31 March, 2015 Gratuity (Funded) ₹
<b>I. Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year .....	4,76,68,861	4,66,92,991
Current service cost .....	16,28,784	13,04,998
Interest cost .....	30,21,053	31,73,521
Actuarial (gains) / losses .....	32,86,705	40,65,009
Past service cost .....	—	—
Benefits paid .....	(81,56,526)	(75,67,658)
Present value of DBO at the end of the year.....	4,74,48,877	4,76,68,861
<b>II. Change in fair value of assets during the year</b>		
Plan assets at beginning of the year .....	3,80,60,679	4,14,38,420
Expected return on plan assets .....	30,25,824	36,05,143
Actual company contributions .....	19,65,930	7,78,994
Actuarial gain / (loss) .....	(1,19,519)	(1,94,220)
Benefits paid .....	(79,10,244)	(75,67,658)
Plan assets at the end of the year .....	3,50,22,670	3,80,60,679
<b>III. Analysis of Defined Benefit Obligation</b>		
Defined Benefit Obligation as at 31st March .....	4,74,48,877	4,76,68,861
Fair value of plan assets at the end of the year .....	3,50,22,670	3,80,60,679
Net asset / (liability) recognised in the Balance Sheet .....	(1,24,26,207)	(96,08,182)
<b>IV. Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation .....	4,74,48,877	4,76,68,861
Fair value of plan assets .....	3,50,22,670	3,80,60,679
Funded status [Surplus / (Deficit)] .....	(1,24,26,207)	(96,08,182)
Unrecognised past service costs .....	—	—
Net asset / (liability) recognised in the Balance Sheet .....	(1,24,26,207)	(96,08,182)
<b>V. Change in defined benefit obligations (DBO) during the year</b>		
Current service cost .....	16,28,784	13,04,998
Interest cost .....	30,21,053	31,73,521
Expected return on plan assets .....	(30,25,824)	(36,05,143)
Actuarial losses/(gains) .....	37,80,290	(7,72,113)
Total expense recognised in the Statement of Profit and Loss .....	54,04,303	1,01,263
<b>VI. Actuarial assumptions</b>		
Discount rate .....	7.95%	7.95%
Expected return on plan assets .....	7.95%	7.95%
Salary escalation .....	8.00%	6.00%
Attrition .....	5.00%	2.00%
Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Estimate of amount of contribution in the immediate next year	43,50,000	20,00,000

**Notes forming part of the financial statements**

Particulars

**Note 30 Disclosures under Accounting Standards (Contd.)****Experience adjustments**

	<b>31 March, 2016</b>	31 March, 2015	31 March, 2014	31 March, 2013	31 March, 2012
	₹	₹	₹	₹	₹
<b>Gratuity</b>					
Experience gain / (loss) adjustments on plan liabilities	<b>32,86,705</b>	40,65,009	(5,69,905)	37,49,709	(1,09,582)
Experience gain / (loss) adjustments on plan assets	<b>(1,19,519)</b>	(1,94,220)	(84,835)	33,276	3,00,815
Defined Benefit Obligation at the end of the period	<b>4,74,48,877</b>	4,76,68,861	4,66,92,991	4,63,91,355	4,33,42,593
Plan Assets at the end of the period	<b>3,50,22,670</b>	3,80,60,679	4,14,38,420	3,95,16,140	3,84,45,154
Funded status [Surplus / (Deficit)]	<b>(1,24,26,207)</b>	(96,08,182)	(52,54,571)	(68,75,215)	(47,29,839)

- a) The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.
- b) Expected Rate of Return of Plan Assets : This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.
- c) Salary Escalation Rate : The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

**Note 31 :**

- (i) The Company operates exclusively in the Speciality Chemicals business segment which is the only reportable business segment.
- (ii) The geographical segments individually contributing 10 percent or more of the group's revenues and segment assets are shown separately:

<b>Geographical Segment</b>	<b>Revenues for the year ended 31 March, 2016</b>	<b>Segment assets as at 31 March, 2016</b>	<b>Capital expenditure incurred during the year ended 31 March, 2016</b>
	₹	₹	₹
Outside India	<b>43,40,24,818</b>	<b>7,16,66,835</b>	<b>Nil</b>
Previous Year	23,61,71,591	4,81,76,526	Nil
Within India	<b>90,57,20,491</b>	<b>1,11,69,63,930</b>	<b>3,64,90,798</b>
Previous Year	95,91,80,987	1,03,09,34,821	3,26,33,852



## Notes forming part of the Consolidated financial statements

### Note 32 Disclosures under Accounting Standards

#### 32.1 Related party transactions

##### Details of related parties:

Description of relationship	Names of related parties
(i) Jointly controlled entity (JCE)	Nalco Champion Dai-ichi India Pvt. Ltd. (NCD) (Formerly known as Champion Dai-ichi Technologies India Limited (CDTIL)
(ii) Other Venturer	CTI Chemcials Asia Pacific Pte. Ltd.(CTI)
(iii) Key Management Personnel (KMP)	Mrs.S. F. Vakil - Chairperson & Managing Director (SFV)
(iv) Relatives of KMP	i) Mr. D. M. Neterwala - Father of Managing Director (DMN- Since deceased) ii) Ms. Meher F.Vakil - Daughter of Managing Director (MFV) iii) Mrs. P. R. Mehta - Sister of Managing Director (PRM)
(v) Entities in which KMP / Relatives of KMP can exercise significant influence	i) Indian Oxides & Chemicals Private Limited (IOCL) ii) Rose Investments Limited (RIL), iii) SDN Company (SDNC), iv) Uni Klinger Limited (UKL), v) Anosh Finance & Investment Pvt. Ltd. (AFIPL), vi) Performance Polymer & Chemicals Pvt. Ltd. (PPCL) vii) General Pharmaceuticals Pvt. Ltd. (GPPL) viii) Netal India Limited (NIL) ix) Neterwala Consulting & Corporate Services Limited (NCCSL) x) Chemicals and Ferro Alloys Private Limited (CFAPL)
(vi) Enterprises over which director can exercise significant influence	i) Maneckji and Shirinbai Neterwala Foundation (MSN)

#### 32.2.b Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31 March, 2016 :

Particulars	JCE (NCD)	Other Ventures (CTI)	KMP (SFV)	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprizes over which director can exercise significant influence	Total
	₹	₹	₹	₹	₹	₹	₹
<b>Purchase of goods</b>	<b>13,600</b>	<b>13,61,17,020</b>					<b>13,61,30,620</b>
	(26,967)	(11,31,85,697)					(11,32,12,664)
IOCL .....					<b>6,05,391</b>		<b>6,05,391</b>
					(1,91,626)		(1,91,626)
GPPL .....					<b>37,41,677</b>		<b>37,41,677</b>
					(35,68,061)		(35,68,061)
NIL .....					<b>Nil</b>		<b>Nil</b>
					(27,904)		(27,904)
UKL .....					<b>2,26,570</b>		<b>2,26,570</b>
					(91,847)		(91,847)

## Notes forming part of the financial statements

Particulars	JCE (NCD)	Other Ventures (CTI)	KMP (SFV)	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprizes over which director can exercise significant influence	Total
	₹	₹	₹	₹	₹	₹	₹
Purchase of Services .....		<b>35,96,311</b> (3,45,029)					<b>35,96,311</b> (3,45,029)
<b>Sale of goods .....</b>	<b>5,82,33,206</b> (6,13,88,648)						<b>5,82,33,206</b> (6,13,88,648)
IOCL .....					<b>58,271</b> (34,34,851)		<b>58,271</b> (34,34,851)
GPPL .....					<b>39,54,476</b> (34,85,619)		<b>39,54,476</b> (34,85,619)
<b>Sale of service (Job Work) .....</b>							
IOCL .....					<b>44,11,843</b> (12,82,322)		<b>44,11,843</b> (12,82,322)
<b>Purchase of fixed assets .....</b>	<b>Nil</b> (1,84,522)						<b>Nil</b> (1,84,522)
UKL .....					<b>10,83,352</b> (Nil)		<b>10,83,352</b> (Nil)
<b>Rendering of services/ Reimbursement of expenses: .....</b>	<b>5,69,870</b> (4,96,781)						<b>5,69,870</b> (4,96,781)
SDNC .....					<b>4,92,840</b> (4,72,310)		<b>4,92,840</b> (4,72,310)
IOCL .....					<b>3,23,250</b> (Nil)		<b>3,23,250</b> (Nil)
<b>Receiving of services/ Reimbursement of expenses: .....</b>		<b>13,97,958</b> (Nil)	<b>2,39,496</b> (Nil)				<b>16,37,454</b> (Nil)
SDNC .....					<b>Nil</b> (20,000)		<b>Nil</b> (20,000)
NCCSL .....					<b>10,000</b> (21,264)		<b>10,000</b> (21,264)
AFIPL .....					<b>Nil</b> (34,340)		<b>Nil</b> (34,340)
NIL .....					<b>22,800</b> (Nil)		<b>22,800</b> (Nil)



## Notes forming part of the financial statements

Particulars	JCE (NCD)	Other Ventures (CTI)	KMP (SFV)	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprizes over which director can exercise significant influence	Total
	₹	₹	₹	₹	₹	₹	₹
MFV .....				<b>4,54,762</b>			<b>4,54,762</b>
				(Nil)			(Nil)
<b>Compensation/ others .....</b>			<b>26,84,752</b>				<b>26,84,752</b>
			(26,00,029)				(26,00,029)
<b>Remuneration .....</b>			<b>1,07,85,908</b>				<b>1,07,85,908</b>
			(93,14,950)				(93,14,950)
MFV .....				<b>21,78,602</b>			<b>21,78,602</b>
				(Nil)			(Nil)
<b>CSR -MSN .....</b>						<b>5,00,000</b>	<b>5,00,000</b>
						(18,67,000)	(18,67,000)
<b>Dividend received</b>	<b>2,53,12,500</b>						<b>2,53,12,500</b>
	(22,50,000)						(22,50,000)
<b>Dividend paid: .....</b>		<b>2,53,12,500</b>	<b>1,50,30,465</b>				<b>4,03,42,965</b>
		(22,50,000)	(37,26,576)				(59,76,576)
DMN .....				<b>4,16,251</b>			<b>4,16,251</b>
				(4,16,251)			(4,16,251)
FAV .....				<b>4,23,050</b>			<b>4,23,050</b>
				(1,97,523)			(1,97,523)
PRM .....				<b>42,18,750</b>			<b>42,18,750</b>
				(42,18,750)			(42,18,750)
RIL .....					<b>14,45,400</b>		<b>14,45,400</b>
					(6,57,000)		(6,57,000)
GPPL .....					<b>3,212</b>		<b>3,212</b>
					(1,460)		(1,460)
CFAPL .....					<b>6,42,500</b>		<b>6,42,500</b>
					(6,42,500)		(6,42,500)
<b>Consultancy Fees - MFV .....</b>				<b>3,28,520</b>			<b>3,28,520</b>
				(7,49,493)			(7,49,493)
<b>Balances outstanding at the end of the year</b>							
Investments .....	<b>33,75,000</b>						<b>33,75,000</b>
	(33,75,000)						(33,75,000)
<b>Trade receivables</b>	<b>84,39,801</b>						<b>84,39,801</b>
	(1,31,11,039)						(1,31,11,039)
IOCL .....					<b>3,93,761</b>		<b>3,93,761</b>
					(3,73,121)		(3,73,121)



## Notes forming part of the financial statements

Particulars	JCE (NCD)	Other Ventures (CTI)	KMP (SFV)	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprizes over which director can exercise significant influence	Total
	₹	₹	₹	₹	₹	₹	₹
GPPL .....					<b>11,50,146</b> (44,713)		<b>11,50,146</b> (44,713)
<b>Deposits for office</b>			<b>32,00,000</b> (32,00,000)				<b>32,00,000</b> (32,00,000)
<b>Trade payables ....</b>		<b>2,56,52,333</b> (3,52,96,752)					<b>2,56,52,333</b> (3,52,96,752)
NIL .....					<b>22,344</b> (Nil)		<b>22,344</b> (Nil)
UKL .....					<b>1,71,682</b> (Nil)		<b>1,71,682</b> (Nil)

Note : Figures in bracket relate to the previous year  
Particulars

## Note 33 Disclosures under Accounting Standards

		For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
33.1	Details of leasing arrangements		
	<b><u>As Lessor</u></b>		
33.1.a	The Group has entered into operating lease arrangements for commercial premises at Worli.		
	Depreciation recognised on the leased assets .....	<b>28,37,285</b>	31,40,242
	Accumulated depreciation on the leased assets .....	<b>1,61,31,628</b>	1,32,94,343
33.1.b	<b><u>As Lessee</u></b>		
33.1.b.(i)	The group has entered into operating lease arrangements for certain facilities. The leases are non-cancellable and are for a period of 15 November, 2015 to 14 November, 2017. The lease agreements provide for an increase in the lease payments by 5% after first 12 months.		
	Future minimum lease payments		
	not later than one year .....	<b>24,37,500</b>	—
	later than one year and not later than five years .....	—	—
	later than five years .....	—	—
33.1.b.(ii)	Lease payments recognised in the Statement of Profit and Loss [Includes ₹ 7,836,892 of Jointly controlled Entity (Previous Year ₹ 3,605,449)] .....	<b>1,22,51,644</b>	62,35,223



## Notes forming part of the financial statements

Note	Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
33.2	<b>Earnings per share</b>		
	<u>Basic &amp; Diluted</u>		
	Profit for the year (₹) .....	<b>21,86,29,877</b>	23,28,40,038
	Weighted average number of equity shares .....	<b>74,51,229</b>	74,51,229
	Par value per share (₹) .....	<b>10</b>	10
	Earnings per share - Basic and Diluted (₹) .....	<b>29.34</b>	31.25

**Note 34 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013**

Name of the entity in the	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount ₹	As % of consolidated profit or loss	Amount ₹
<b>Parent</b>				
Dai-ichi Karkaria Ltd	78.10%	98,74,68,324	48.12%	10,51,98,769
<b>Subsidiary</b>				
Dai-ichi Gosei Chemicals (India) Ltd	0.02%	2,31,227	0.00%	476
Minority Interests in all subsidiaries	0.00%	7,153	0.00%	15
<b>Joint Ventures (as per proportionate consolidation)</b>				
Nalco Champion Dai- ichi India Pvt.Ltd. (formerly known as Champion Dai-ichi Technologies India Ltd.)	21.88%	27,66,58,630	51.88%	11,34,30,632

## Note 35 Disclosures under Accounting Standards

**The Group has interest in the following Jointly controlled entity (JCE)**

Name of joint venture & Country of incorporation	% of interest / Ownership	Amount of interest based on accounts for the year ended 31 March, 2016	
		Contingent liabilities	Capital Commitments
Nalco Champion Dai-ichi India Pvt. Ltd. (Formerly known as Champion Dai-ichi Technologies India Limited) (Audited)	50	4,83,00,000	7,99,481
Previous year	50	4,20,06,400	7,40,296

**Notes forming part of the consolidated financial statements****Note 36 Disclosures under Accounting Standards****Details of provisions**

The jointly controlled entity has made provision for various contractual obligations based on its assessment of the amount it estimates in respect of product performance deficiency to incur to meet such obligations. The Company's share in respect of the same is given below:

Particulars	As at 1 April, 2015	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at 31 March, 2016
	₹	₹	₹	₹	₹
Compensation for deficiency in performance	<b>20,06,978</b>	<b>37,93,756</b>	<b>20,06,978</b>	—	<b>37,93,756</b>
Previous year	—	20,06,978	—	—	20,06,978

Of the above, the following amounts are expected to be incurred within a year:

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
<b>Compensation for deficiency in performance</b>	<b>37,93,756</b>	20,06,978

**Note 37 Previous year's figures**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

**S. F. Vakil**

Chairperson and Managing Director

**Kavas Patel**

Director

**Adi Jehangir**

Director

**Keki Elavia**

Director

**Anil Naik**

Director

**Nitin Nimkar**

Chief Financial officer

**Kavita Thadeshwar**

Company Secretary

Place : Mumbai

Date : May 14, 2016



## Form AOC-1

**Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/ Joint Ventures Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014**

### Part "A" -Subsidiaries

		₹
1	Sl. No.	1
2	Name of the subsidiary	Dai-ichi Gosei Chemicals (India) Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA
5	Share Capital	500,000
6	Reserves & Surplus	(261,621)
7	Total Assets	247,520
8	Total Liabilities	247,520
9	Investments	Nil
10	Turnover	14,892
11	Profit before taxation	721
12	Provision for taxation	230
13	Profit after taxation	491
14	Proposed dividend	Nil
15	% of Shareholding	97%
1	Names of subsidiaries which is yet to commence operations	Nil
2	Names of subsidiaries which have been liquidated or sold during the years	Nil

**Statement of pursuant to Section 129(3) of Companies Act, 2013 related to Associate Companies and Joint Ventures**

### Part "B" - Joint Ventures

	Name of Joint Venture	Nalco Champion Dai-ichi India Private Limited (Formerly known as Champion Dai-ichi Technologies India Ltd.)
1	Latest audited Balance Sheet date	31/03/2016
2	Shares of Joint Venture held by the Company on the year end :	
	Nos of Shares	1,125,000
	Amount of investment in Joint Venture	6,750,000
	% of holding	50%
3	Description of how there is significant influence	50% holding in JV
4	Reason why the Joint venture is not consolidated	NA
5	Net worth attributable to shareholding as per last audited balance sheet	169,974,507
6	Profit for the year	
	1. Considered in consolidation	113,675,166
	2. Not considered in consolidation	113,675,166
1	Names of Associates Companies or Joint Ventures which is yet to commence operations	Nil
2	Names of Associates Companies or Joint Ventures which have been liquidated or sold during the years	Nil

For and on behalf of the Board of Directors

<b>S. F. Vakil</b>	Chairperson and Managing Director
<b>Kavas Patel</b>	Director
<b>Adi Jehangir</b>	Director
<b>Keki Elavia</b>	Director
<b>Anil Naik</b>	Director
<b>Nitin Nimkar</b>	Chief Financial officer
<b>Kavita Thadeshwar</b>	Company Secretary

Place : Mumbai

Date : May 14, 2016



# DAI-ICHI KARKARIA LIMITED

CIN:L24100MH1960PLC011681

Registered Office: Liberty Building, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai – 400 020.

E-mail: investor@dai-ichiindia.com • Tel: 022-2201 7130/2201 5895 • Fax: 022- 2209 6976

## PROXY FORM

[Pursuant to section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies(Management and Administration) Rules, 2014]

### 56th ANNUAL GENERAL MEETING ON AUGUST 4, 2016

Name of Member (s)		E-mail Id	
Registered Address		Folio No./ *Client Id *DP Id	

I/We, being the Member(s) holding \_\_\_\_\_ shares of the above named Company, hereby appoint:

- (1) Name: .....  
Address: .....  
..... E-mail Id: .....or failing him
- (2) Name: .....  
Address: .....  
..... E-mail Id: .....or failing him
- (3) Name: .....  
Address: .....  
..... E-mail Id: .....or failing him

as my/our proxy to attend and vote for me/us and on my/our behalf at the 56th Annual General meeting of the Company, to be held on Thursday, August 4, 2016, at 11.30 a.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description	For	Against
1	Receive, Consider and Adopt (a) Audited Financial Statements and Reports thereon for the financial year ended March 31, 2016. (b) Audited Consolidated Financial Statements and Auditors report for the financial year ended March 31, 2016.		
2	Confirm the payment of Interim Dividend during financial year ended March 31, 2016.		
3	Re-appointment of Mr. A. H. Jehangir (DIN:00001752), who retires by rotation.		
4	Ratification of Appointment of Messrs Deloitte Haskins & Sells LLP, Chartered Accountants, (Firms' Registration No. 117366W/ W-100018) as Statutory Auditors of the Company and to fix their remuneration		
5	Ratification of remuneration payable to Mr. Sudhir Govind Jog, Cost Accountant (Membership No. 5599) as Cost Auditor of the Company.		
6	Re-appointment of Mrs. S. F. Vakil as Chairperson and Managing Director of the Company for a period from April 1, 2016 to March 31, 2019.		

Signed this ..... day of ..... 2016

Signature of shareholder

Signature of Proxy holder(s)

\*Applicable for investors holding shares in electronic form.

#### NOTES:

- (1) **The proxy in order to be effective should be duly filled up, stamped, signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- (2) **A proxy need not be a member of the Company.**
- (3) A person can act a proxy on behalf of members not exceeding fifty and holding in the 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 a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (5) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Affix  
Revenue  
Stamp of  
Re 1/-



*If undelivered please return to:*  
**DAI-ICHI KARKARIA LIMITED**  
**Liberty Building,**  
**Sir Vithaldas Thackersey Marg,**  
**Mumbai - 400 020.**