

July 18, 2017

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

Dear Sir/ Madam,

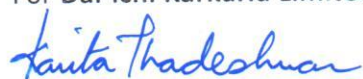
Sub: Submission of Annual Report for F.Y. 2016-17 under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to the requirement under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose/ submit herewith Annual report for F.Y. 2016-17 of the Company as approved and adopted in the 57th Annual General Meeting of the Company held on July 17, 2017.

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

57th ANNUAL REPORT

2016-2017

DAI-ICHI KARKARIA LIMITED

(CIN: L24100MH1960PLC011681)

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Annual General Meeting

Date & Time:

Monday, July 17, 2017 at 11.30 a.m.

Venue:

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

Book Closure Date:

July 10, 2017 to July 17, 2017

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 Operating Officer:

Mrs. Meher Taff

Chief Financial Officer:

Mr. Nitin Nimkar

Company Secretary:

Mrs. Kavita Thadeshwar

Bankers:

Axis Bank Limited

HDFC Bank Ltd.

Bank of India

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.
3. D-2/20, GIDC, Phase -2, Dahej,
Dist. Bharuch, Gujarat
(upcoming plant)

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-Seventh Annual General Meeting of the Members of **DAI-ICHI KARKARIA LIMITED** (L24100MH1960PLC011681) will be held on Monday, July 17, 2017 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, 2017 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, 2017 and the Report of the Auditors thereon.
2. To declare a dividend for the year ended March 31, 2017.
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 appoint Messrs. BSR & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration 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 Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable including any statutory modification(s) or re-enactment thereof, for the time being in force and pursuant to the recommendations of the Audit Committee, Messrs. BSR & Co. LLP, Chartered Accountants (ICAI Firm Registration No.: 101248W/W-100022), be appointed as statutory auditors of the Company, in place of retiring auditors Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), to hold office from the conclusion of this 57th Annual General Meeting (AGM) until the conclusion of the 62nd AGM, subject to ratification by members every year, as applicable, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.”

Special Business

5. To ratify 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, 2017, 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.”

Registered Office:

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

Place : Mumbai
Date : May 5, 2017

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. A proxy form is attached hereto.**
- 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 in respect of business to be transacted under item 4 and 5 above is annexed hereto.
- 4) The Register of Members and Share Transfer Books of the Company will remain closed from July 10, 2017 to July 17, 2017 (both days inclusive) in connection with the Annual General Meeting.
- 5) If dividend on Equity Shares, as recommended by the Board, is approved at the AGM, it will be paid on 31st July 2017 as under: (i) To all Beneficial Owners in respect of shares held in electronic form, as per details furnished by the Depositories for this purpose as on the beginning of 10th July, 2017. (ii) To all Members in respect of shares held in physical form, whose names are on the Company's Register of Members after giving effect to valid transfers in respect of transfer requests lodged with the Company as of the close of business hours on 9th July, 2017. Date of payment will be July 31, 2017.
- 6) The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In cases where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. Members are therefore requested to update their NECS / Bank details with the Depositories / Registrar and Share Transfer Agent of the Company.
- 7) Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, dividend for the financial year ended 31st March 2010 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 ended 31st March 2010 and subsequent years are therefore requested to approach the Company / Registrars and Transfer Agents in writing with their details to facilitate payment.

As per the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), the Company has uploaded the information in respect of the unclaimed dividends for the financial year ended 31st March, 2010 and subsequent years on the website the IEPF viz. www.iepf.gov.in and on the website of the Company viz. www.dai-ichiindia.com. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts.

Members are also requested to note that, pursuant to the provisions of Section 124 of the Act and the IEPF Rules, the Company is obliged to transfer all shares on which dividend has not been paid or claimed for seven consecutive years or more to an IEPF Demat Account. The Company has already sent notices to members in whose case the due date of transfer of such shares is deemed to be 31st May, 2017. On further notification from the Ministry of Corporate Affairs, necessary steps will be initiated by the Company to transfer shares held by the members to the IEPF without further notice. Members/claimants whose shares or unclaimed dividend have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund to the IEPF Authority.

- 8) 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.



- 9) The Shareholders desiring any information as regards Financial Statements are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
- 10) 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.
- 11) In support of “Green Initiative in Corporate Governance” announced by the Government of India and Regulation 36 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.

- 12) 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.
- 13) **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 57th 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 July 14, 2017 at 10 a.m. and ends on July 16, 2017 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 10, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders/ Members.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<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"> 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. In case the sequence number is less than 8 digits enter the applicable number of 0’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 RA00000001 in the PAN field.
Dividend Bank Details OR 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"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for **DAI-ICHI KARKARIA LIMITED** on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxi) 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 10, 2017 can view the Notice of the 57th 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.
- (xxii) 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.

(xxiii) The Voting Results along with the Consolidated Scrutinizer's report shall be placed on the Company's website www.dai-ichiindia.com and on the website of CDSL within two days from the conclusion of the AGM of the Company and communicated to BSE Ltd.

- 14) In terms of Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and pursuant to Clause 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) details of Director seeking re-appointment at the 57th Annual General Meeting :

Name	Mr. A. H. Jehangir
Date of Birth	01.10.1956
DIN	00001752
Date of Appointment	19.02.1986
Expertise in Specific function area	More than 30 years of experience in Investment Business
Qualifications	Commerce Graduate
No of shares held in the Company	100 (0.00%)
Relationship with Directors & Key Managerial Personnel	Mr. Jehangir is not related to any Directors/ KMP of the Company.
Number of Board Meeting attended during FY 2016-17	4 (four) Board meetings were held and attended during F.Y. 2016-17
Other Directorship in Companies/LLP	i. Cowhill Enterprises LLP ii. Amerado Enterprises LLP iii. Goodearth Enterprises LLP iv. Cannadel Enterprises LLP v. Cowasjee Jehangir Enterprises LLP vi. Wild Flower Enterprises LLP vii. Jehangir Brand Management Pvt. Ltd.
Chairman/ Member of the Committees of Boards of other companies	Nil
Terms and conditions of appointment	Non-Executive Director Liable to retire by rotation

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 REGARDING SPECIAL BUSINESS****Item no. 4**

This Explanatory Statement is provided though strictly not required pursuant to the provisions of Section 102 of the Companies Act, 2013 ('Act').

Pursuant to the provisions of Section 139 of the Act and Rule 6 of the Companies (Audit and Auditors) Rules, 2014, at the 54th Annual General Meeting, the Members appointed Deloitte Haskins & Sells LLP, Chartered Accountants, as Statutory Auditors of the Company, for a period of three years, from the conclusion of the 54th Annual General Meeting till the conclusion of the 57th Annual General Meeting. As per second proviso to Section 139(2) of the Companies Act, 2013 ('the Act'), a transition period of three years from the commencement of the Act is provided to appoint a new auditor when the existing auditor's firm has completed two terms of five consecutive years.

Accordingly, as per the said requirements of the Act, BSR & Co. LLP, Chartered Accountants are proposed to be appointed as Statutory Auditors of the Company, for a period of 5 years, commencing from the conclusion of 57th AGM till the conclusion of the 62nd AGM, subject to ratification by members every year, as may be applicable. BSR & Co. LLP, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits laid down by or under the authority of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of Companies Act, 2013 and the rules and regulations made thereunder.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 4 of the notice.

The Board recommends the resolution set forth in item No. 4 of the notice for approval of the members.

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, 2017, 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, 2017.

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.

Registered Office:

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

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

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : May 5, 2017

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fifty – Seventh Annual Report together with the audited accounts for the year ended March 31, 2017.

FINANCIAL RESULTS:

Operational Performance	2017 (₹ in millions)	2016 (₹ in millions)
Gross Revenue from operations	1339.76	1249.41
Less: Excise duty	80.04	86.10
Net Revenue from operations	1259.72	1163.31
PBDIT	259.12	236.98
EPS (₹)	23.95	20.91
Book Value of Shares (₹)	157.37	133.42

DIVIDEND:

The Directors are pleased to recommend a dividend of ₹ 3.00 per equity share of ₹ 10/- each for the year ended 31st March, 2017. The dividend payout will aggregate to ₹ 22.35 million and the tax on distributable profits payable by the Company would amount to ₹ 4.55 million.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

INDUSTRY STRUCTURE & DEVELOPMENT: OPPORTUNITIES AND THREATS, RISKS AND CONCERNS

Business Environment**Global Economic Outlook**

The Business of Chemistry is applying science to support and enhance the quality of our lives. The chemical industry is continuously creating new processes and products to solve performance, safety, and efficiency issues, for diverse industry verticals.

The global specialty chemicals market is driven by a number of factors, including the growing demand from many end-user industries, e.g. for high performance and greener Coatings, or Specialities related to Shale gas production etc.

Construction chemicals, specialty polymers and Electronics chemicals hold the highest market segments, collectively accounting for about 30% of market share, due to the demand from their end user industries.

Since the Specialty Chemical sector encompasses such a large number of market subsectors, the global market is enormous valued at over \$800 billion last year. As the global population grows from 7 billion to 9 billion in a few decades the chemical industry will be indispensable for their survival and improved living standards.

On the other hand, challenges from low crude oil prices and ever stringent environmental regulations governing specialty chemicals, have dampened the growth of this market globally.

Domestic Economic Outlook

The Indian Specialty Chemical Market is expected to reach \$70 billion by 2020. In 2015, the Global Chemical Industry stood at \$3.6 trillion, while the Indian Chemical Industry stood at \$144 billion. The Global Chemical Industry is expected to reach \$4.5 trillion by FY17, while Indian Chemical Industry is forecast to reach \$224 billion in fiscal 2017.

With projected annual growth of 7.5% in 2017-18, India will remain the fastest growing G20 economy despite the impact of demonetisation, Brexit and Trump.

As the world's key economies face a slowdown, India is recognised as the next driver of global economic growth in the coming decade, positioned as the top five fastest growing economies in the world.

As India emerges as a manufacturer and supplier of Specialty Chemicals there has been a major impact on the Global Specialty Chemical Industry. The wide capability of the Specialty Chemical Companies extends to all sectors and sub-sectors of the Specialty Chemical Market.

Driven by strong macro and micro factors, in the past 5 years, the Indian Specialty Chemical Industry, valued at \$25 billion, grew at CAGR of 13% (1.9x Indian GDP growth), outpacing global growth.

Some of the key reasons for the growth of Specialty Chemical Industry in India is the increased demand of domestic consumption; changing customer behaviour with increase in purchasing power; reduction in input costs due to sharp correction in crude oil prices, and softening of Chinese exports (due to stringent environmental regulations).



Low priced crude has already re-rated Indian specialty chemicals since mid-2014, though India's disadvantages in feedstock position and lack of adequate infrastructure have hindered its progress into the big league, inspite of the otherwise favourable environment.

India's large population base and its low per capita consumption of chemicals, together with a relatively strong GDP growth outlook, will sustain healthy domestic growth. Progress in key end-user industries domestically would support this growth. Growing urbanization (with 30% of the population living in cities) coupled with the growing aspirations of the youth, will catapult the need for specialty chemicals in certain sectors. Positive lifestyle changes and growing disposable income throw up incremental opportunities and above average growth.

Specialty chemicals enable Industry and Society in general to function at optimum levels. They affect almost all human activity and are an integral part of our day to day lives.

In India, this sector is growing at 12-15%. The Government of India initiatives such as Make in India, Swachh Bharat, Affordable housing, and Clean water, unlock a huge potential for the chemical industry to participate. The significant increase in infrastructure investments to close to 4 lakhs crores will have a multiplier effect on the economy and indirectly to the performance of the company.

Specialty Chemicals are normally performance based, and very often customised to the needs and applications of the customer. They are very often proprietary formulations that require a deep knowledge of the customer's industrial applications and product needs. In addition, effective customer service is imperative, as very often the products are sold not only on specifications but also on performance parameters. Specialty chemicals are about margins rather than volumes, and the higher the value addition the greater the return.

In order to be successful in this market, it is imperative to have very close contacts with the major customers specifically with their R&D and technical departments.

It, therefore, stands to reason that innovation would be the key driver for the business and sustainability of specialty chemicals in the long run. Innovation is taking an existing idea or product and improving it through stages of development, leading finally to a commercially viable product. In addition, finding new applications for existing products is very much a part of the innovation spectrum.

As competition brings pressures one can reduce costs only through innovation whilst managing knowledge and by running more cost efficient and cost optimal businesses.

Technology and automation will reduce costs and boost profitability in sectorial performance.

Company Overview and Sustainable Growth Strategy

Dai-ichi Karkaria Limited is progressing towards being a global company serving customers across 3 continents, with innovation and sustainability at the core of its business. The company markets innovative products with greater customer centricity and technology led differentiation. The company is focusing on requisite capacity building to meet the critical success factors for long term value creation.

Through its digital interventions, the company is optimising its operations, controlling critical processes and keeping costs at a minimum. The new CRM initiative, puts the customer in focus, ensuring that their needs are serviced in a cost efficient and timely manner.

The company is a consistent performer in niche market segments and aims to capture new markets with our future expansion plans.

Ability to execute: With the help of multipurpose manufacturing plants designed to allow high degrees of flexibility, essential to meet varied and stringent needs of customers, along with an R&D centre equipped with advanced technology, the company has carved out a specific niche of expertise in manufacturing performance based products, and developed an ability to synthesize well defined, meaningful products using newer cost effective processes. To create a sustainable and profitable business model requires the right mix of innovative new products that challenge the R&D department every year.

Financial Performance

The total Sales revenue for the company stood at ₹ 1340 million. An increase of approximate 7% from the previous year. PBT rose to ₹ 24 crores against ₹ 21 crores in the last year an increase of approximately 14%.

Sector wise Performance:

The last quarter of the year ended on a positive note with the effects of demonetisation waning. The resumption of Industrial growth signalled that the worst was over.

Though certain sector like Paints, Adhesives showed an upward trend, the company showed lack luster performance in the Textile segment.

The overall business grew well in certain sectors like Paints, Coatings and Neat surfactants (ethoxylates) used in Metal cleaning and the Dyestuff Industries, which showed growth of 15%-17%.

The company doubled its sales in the Lube oil sector and showed continuous growth in its exports of oil field chemicals to its Joint Venture partner.

The major downturn has come from the Textile sector where the company lost some business with a Key Rayon customer but is poised to regain this business with new, value added offerings this year.

In addition, in Spin finishes the company has taken time to recover from the competition from Japan, and is now faced with competition from smaller players. We plan to strengthen the application development and technical service divisions to capture more players in this segment, instead of limiting our scope only to the big units.

The company's businesses did face a slowdown in the third quarter due to the trailing impact of demonetisation that affected the end user customers. However, the fourth quarter has shown a sharp rebound, and considerable interest from customers for the company's newer generation APEO free products that are mandatory for export markets.

There has been some impact on the company's business with its Joint Venture partner Nalco Champion, due to the continuously low crude oil prices. Lower crude oil prices which had marginally impacted expansions in the oil sector, last year, are now of some concern. Whereas it was felt that due to organic growth and the growing energy requirements of certain Asian countries, the prices of crude oil would not impact future expansions, there seems to be a definite slowdown, and deepening caution. As a result, the large volume increases the company was expecting in this area have failed to materialize. However, there has not been any major decrease in this business for the company and we expect to maintain or experience slightly higher growth for the business in the coming year.

The Polyacrylamide business at the Kurkumbh plant has shown some growth, now that the mining sector is operational again. The company has shown a volume growth of over 20%, which is an encouraging sign after two years of negative growth. The reopening of the mines and improvement in the steel and iron ore markets, auger well for the coming year. In addition, new applications in sand making, and the trend for sludge dewatering will increase the demand for flocculants in the market. With strategic focus on defined product applications and innovative pricing models, the company will strengthen its presence in this market.

The company's construction chemical business is progressing well. Recently there have been some major break throughs in this area, which should result in enhanced product portfolio in the coming year.

Dahej Project:

The Dahej project is underway and in execution phase with civil and mechanical activities in full swing. Production activity is likely to begin in November 2017 and full capacity would be achieved by April 2018. The total investment for the project is estimated at ₹ 168 crores. The Company has gone ahead with the best in class swiss technology, augmenting its capability to manufacture a wider range of products with better yields, quality, productivity and conversion costs. Also, the plant is advantageously located in a chemical zone (Petroleum, chemicals and petrochemical investment region - PCPIR), which will help in reducing transportation and handling costs.

Working Capital Management:

The significant ratios of the Company such as Ratio of Inventory to Sales is 12.92%, Receivable to Sales is 16.28%, and Net Working Capital to Sales is 21.82%.

The working capital was rotated 4 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.)

The Company has a Joint venture with CTI Chemicals Asia Pacific Pte. Ltd., 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	1087.71
Profit Before Tax	127.50
Net Profit	80.08
Earnings per share (₹)	35.59



ANNUAL REPORT OF SUBSIDIARY COMPANY:

As on March 31, 2017, 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 information required to be furnished under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Secretarial Standards are given in the Notice of the 57th 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 31st March, 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:

- (a) In the preparation of the annual accounts, for the financial year ended March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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, 2017 and of the profit and loss of the company for that period;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a 'going concern' basis;
- (e) Proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and operating effectively;
- (f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

DETAILS OF INTERNAL FINANCIAL CONTROLS:

The Board of Director 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 is of the opinion that 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 different Implementing Agencies in the areas of Health Care including Palliative Health Care, Education, Sanitation and Conservation of Environment.

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:

Human Resource plays an instrumental role in securing the future success of Organization. Human Resource Development is guided by long-term vision of creating an environment where employees can thrive for and are enabled to deliver sustainable organizational performance.

We retain, develop and continue to attract people with the requisite skills to help shape a better organization and foster employees' engagement and motivation throughout the implementation process.

The Company pursues multiple developmental initiatives and ongoing training programs 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;

- Succession plan based training programs to fill the Knowledge gap.
- Employee engagement activity.
- 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 AAP Scheme, needy and economical weak youths for pursuing special industrial training.

As on 31st March 2017, the total number of employees on the payrolls of the company at all the locations was **215**.

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, Chartered Accountants (Firm Registration No. 117366W/W-100018) were appointed as Statutory Auditors of the Company from the conclusion of 54th Annual General Meeting upto the conclusion of 57th Annual General Meeting of the Company. In view of completion of the prescribed term of M/s. Deloitte Haskins & Sells LLP, on the recommendation of Audit Committee and Board of Directors, it is proposed to appoint M/s. BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), as the Statutory Auditors of the Company, for a period of five consecutive years from conclusion of the 57th AGM till the conclusion of 62nd AGM of the Company, subject to ratification by Members at every AGM.

M/s. BSR & Co. LLP, have provided their consent to the said appointment and confirmed that their appointment, if made, will be within the terms and limits specified under the provisions of Companies Act, 2013.

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., Practicing Company Secretaries (COP 2592) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the F.Y. 2016 – 17 is annexed herewith as '**Annexure B**'. There are no qualifications or adverse remarks in their Report.

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 Auditors of the Company for the financial year 2016-17.

DETAILS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

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.

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

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval under the Listing Regulations.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

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 2017-2018.

HEALTH, SAFETY & ENVIRONMENT:

Health, Safety & Protection of the Environment are 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 Periodic Audit of ISO 14001:2015 & OHSAS 18001:2007 and Certification Audit of ISO 9001:2008.

(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. Health awareness trainings and programs are being conducted regularly.

(b) Safety:

Internal and External Safety Audit, regular inspections pertaining to risks and hazards for Ethoxylation/ Propoxylation process are carried out as per the provisions of Factories Act.

New PLC system has been installed for Ethoxylation/ Propoxylation process to ensure enhanced safety features and automation to nullify human errors. HAZOP Study and Hazard Identifications and Risk Analysis studies have been carried out for all processes.

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.

(c) Environment:

Regular environment monitoring carried out to ensure pollution levels for air and water are below the limits specified by the State Pollution Control Board. Strict adherence to environment rules is ensured by conducting inspections and environment audit. Environment programs and trainings are conducted to inculcate a sense of conservation of environment.

Effluent Treatment Plant is upgraded and maintained and treated effluent is used in various processes, thus, increasing water conservation.

Sulphonation plant is also upgraded which has brought emission levels of Sulphur Trioxide (SO₃) & Sulphur Dioxide (SO₂) 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 was 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. 70% workers have willingly accepted the same and have received the benefits of the wage settlement.

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 2016-17;

- 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 5, 2017



ANNEXURE 'A' TO THE 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 Agencies in the areas of preventive Health Care including palliative health care, Education, Sanitation and Conservation of Environment.

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: ₹ 1106.63 lacs

4. Prescribed CSR Expenditure : ₹ 22.13 lacs

5. Details of CSR spent during the financial year;

a) Total amount to be spent for the financial year: ₹ 22.13 lacs

b) Amount unspent, if any: Nil

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)	An amount of ₹ 12.75 lacs were spent towards Education and Medical	An amount of ₹ 12.75 lacs were spent towards Education and Medical	An amount of ₹ 12.75 lacs were spent towards Education and Medical	Maneckji and Shirinbai Neterwala Foundation
2.	• Providing Scholarship to deserving students*. • 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.	Education					

(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
3.	Providing medical help for palliative health care	Health Care	Maharashtra	₹ 5 lacs	₹ 5 lacs	₹ 5 lacs	The Jimmy S. Bilimoria Foundation
4.	Sanitation and making available safe drinking water	Sanitation	Maharashtra (Latur)	₹ 2.9 lacs	₹ 2.9 lacs	₹ 2.9 lacs	Bombay Chamber of Commerce & Industry
5.	Environment sustainability.	Conservation of Environment	Maharashtra	₹ 1 lac	₹ 1 lac	₹ 1 lac	Utkarsh Star Mitra Mandal
				₹ 0.5 lacs	₹ 0.5 lacs	₹ 0.5 lacs	Bombay Environmental Action Group
	Total(1+2+3+4+5)			₹ 22.15 lacs	₹ 22.15 lacs	₹ 22.15 lacs	

* Subject to satisfying specified criteria's

- 6. Reasons for not spending the entire amount:** Not applicable, since the entire amount towards CSR was spent by the Company.
- 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 5, 2017



ANNEXURE 'B' TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[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, 2017 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, 2017 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 Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
- (d) The Environment Protection Act, 1986 and Environment (Protection) (Second Amendment) Rules, 1992
- (e) The Legal Metrology Act, 2009
- (f) The Electricity Act, 2003
- (g) The Public Liability Insurance Act, 1991
- (h) The Indian Gas Act, 1995
- (i) The Petroleum Act, 1934
- (j) 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 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 : 5th May, 2017

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



**Annexure to Secretarial Audit Report of
Dai – ichi Karkaria Limited for the year ended 31st March, 2017**

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 : 5th May, 2017

ANNEXURE 'C' TO THE DIRECTORS' REPORT**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2017

[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:**

CIN	L24100MH1960PLC011681
Registration Date	13/05/1960
Name of the Company	DAI-ICHI KARKARIA LIMITED
Category/ Sub-Category of the Company	Public Company having Share Capital
Address of the Registered office and contact details	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
Whether listed company	Yes
Name, Address and Contact details of Registrar 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

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:

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Oil Field Chemicals	2029	33%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
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	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	4482255	0	4482255	60.15	4482255	0	4482255	60.15	0.00
(b) Central Govt	0	0	0	0	0	0	0	0	0
(c) State Govt(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	263384	0	263384	3.54	263384	0	263384	3.54	0.00
(e) Banks/FI	0	0	0	0	0	0	0	0	0
(f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	4745639	0	4745639	63.69	4745639	0	4745639	63.69	0.00
(2) Foreign									
(a) NRIs Individuals	0	0	0	0	0	0	0	0	0
(b) Other Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	4745639	0	4745639	63.69	4745639	0	4745639	63.69	0.00
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	0	1600	1600	0.02	0	1600	1600	0.02	0
(b) Banks / FI	0	0	0	0	0	0	0	0	0
(c) Central Govt	0	0	0	0	0	0	0	0	
(d) State Govt(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FIs	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	1600	1600	0.02	0	1600	1600	0.02	0

2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	338811	26400	365211	4.90	228952	26400	255352	3.42	-1.47
(ii) Overseas	0	0.00	0	0.00	0	0.00	0	0.00	0.00
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1164932	145777	1310709	17.59	1153774	140677	1294451	17.37	-0.22
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	887627	0	887627	11.91	746044	0.00	746044	10.01	-1.90
(c) Other (specify)									
(i) Non Resident Indians	42260	29700	71960	0.97	150840	24600	175440	2.36	1.39
(ii) Overseas Corporate Bodies	0	20100	20100	0.27	0	20100	20100	0.27	0
(iii) Clearing Members	48383	0	48383	0.65	212603	0	212603	2.86	2.21
Sub-total (B)(2):-	2482013	221977	2703990	36.29	2492213	211777	2703990	36.29	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2482013	223577	2705590	36.31	2492213	213377	2705590	36.31	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	7227652	223577	7451229	100.00	7237852	213377	7451229	100.00	0

(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	Shernaz F. Vakil	3767963	50.57	—	3767963	50.57	—	—
2	Parveenbibi Malik	316083	4.24	—	316083	4.24	—	—
3	Roshan H. Gazdar	308367	4.14	—	308367	4.14	—	—
4	Rose Investments Ltd	262800	3.53	—	262800	3.53	—	—
5	Firoze Adi Vakil	76009	1.02	—	76009	1.02	—	—
6	Mehernaz H. Gazdar	8833	0.12	—	8833	0.12	—	—
7	Hamidkhan U. Malik	3200	0.04	—	3200	0.04	—	—
8	Shireen H. Gazdar	1300	0.02	—	1300	0.02	—	—



Sl. 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	
9	General Pharmaceuticals Private Limited	584	0.01	—	584	0.01	—	—
10	Hoshang R. Karkaria	300	0.00	—	300	0.00	—	—
11	Adi H. Jehangir	100	0.00	—	100	0.00	—	—
12	Jehangir H. C. Jehangir	100	0.00	—	100	0.00	—	—

(iii) Change in Promoter's Shareholding

1	Promoters Shareholding	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	47,45,639	63.69%	—	—
	Date wise Increase/ Decrease in shareholding during the year specifying the reason for Increase/ decrease	No change during the year			
	At the End of the year	—	—	47,45,639	63.69%

(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 (01.04.2016) and end of the year (31.03.2017)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Pratiksha Satishchandra Doshi	162128	2.18	01-04-2016	—	—	—	—
	-Closing Balance	—	—	31-03-2017	—	No Change	162128	2.18
2	Ajinkya Electromelt Private Limited	118955	1.60	01-04-2016	—	—	—	—
		—	—	03-06-2016	54	Buy	119009	1.60
		—	—	17-06-2016	293	Buy	119302	1.60
		—	—	25-11-2016	-93	Sold	119209	1.60
		—	—	10-03-2017	-1117	Sold	118092	1.59
		—	—	24-03-2017	279	Buy	118371	1.59
	-Closing Balance	—	—	31-03-2017	-9	Sold	118362	1.59

Sl. No.	Shareholder's name	Shareholding		Date	Increase / Decrease in share-holding	Reason	Cumulative Shareholding	
		No. of shares at the beginning (01.04.2016) and end of the year (31.03.2017)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
3	Ashokkumar Parmar	119353	1.60	01-04-2016	—	—	—	—
		—	—	08-04-2016	-1038	Sold	118315	1.59
		—	—	15-04-2016	-826	Sold	117489	1.58
		—	—	13-05-2016	-100	Sold	117389	1.58
		—	—	27-05-2016	-150	Sold	117239	1.57
		—	—	03-06-2016	-150	Sold	117089	1.57
		—	—	10-06-2016	-455	Sold	116634	1.57
		—	—	19-08-2016	-179	Sold	116455	1.56
		—	—	26-08-2016	-150	Sold	116305	1.56
		—	—	02-09-2016	-320	Sold	115985	1.56
		—	—	25-11-2016	-240	Sold	115745	1.55
		—	—	02-12-2016	-135	Sold	115610	1.55
		—	—	16-12-2016	-110	Sold	115500	1.55
		—	—	23-12-2016	-110	Sold	115390	1.55
		—	—	30-12-2016	-200	Sold	115190	1.55
		—	—	06-01-2017	-190	Sold	115000	1.54
	-Closing Balance			31-03-2017			115000	1.54
4	Ambit Capital Private Ltd	2052	0.03	28-10-2016	—	—	—	—
		—	—	04-11-2016	-2027	Sold	25	0
		—	—	11-11-2016	250	Buy	275	0.00
	-Closing Balance			31-03-2017	105053	Buy	105328	1.41
5	Dolly Khanna	86647	1.16	01-04-2016	—	—	—	—
		—	—	12-08-2016	1000	Buy	87647	1.18
		—	—	19-08-2016	1000	Buy	88647	1.19
		—	—	02-09-2016	1700	Buy	90347	1.21
		—	—	10-02-2017	543	Buy	90890	1.22
	-Closing Balance	—	—	31-03-2017	—	—	90890	1.22
6	Hitesh Satishchandra Doshi	70009	0.94	01-04-2016	—	—	—	—
		—	—	09-09-2016	20000	Buy	90009	1.21
	-Closing Balance			31-03-2017	—	—	90009	1.21



Sl. No.	Shareholder's name	Shareholding		Date	Increase / Decrease in share-holding	Reason	Cumulative Shareholding	
		No. of shares at the beginning (01.04.2016) and end of the year (31.03.2017)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
7	BMA Wealth Creators Ltd	23985	0.32	01-04-2016	—	—	—	—
		—	—	08-04-2016	3754	Buy	27739	0.37
		—	—	15-04-2016	9500	Buy	37239	0.50
		—	—	22-04-2016	1500	Buy	38739	0.52
		—	—	29-04-2016	500	Buy	39239	0.53
		—	—	06-05-2016	1000	Buy	40239	0.54
		—	—	12-08-2016	4950	Buy	45189	0.61
		—	—	02-09-2016	3000	Buy	48189	0.65
		—	—	09-09-2016	3000	Buy	51189	0.69
		—	—	23-09-2016	1000	Buy	52189	0.70
		—	—	07-10-2016	5	Buy	52194	0.70
		—	—	11-11-2016	300	Buy	52494	0.71
		—	—	25-11-2016	50	Buy	52544	0.71
		—	—	09-12-2016	-5	Sold	52539	0.71
		—	—	17-02-2017	6	Buy	52545	0.71
		—	—	03-03-2017	54	Buy	52599	0.71
		—	—	10-03-2017	2	Buy	52601	0.71
		—	—	24-03-2017	1	Buy	52602	0.71
	-Closing Balance	—	—	31-03-2017	—	—	52602	0.71
8	Shirish Joshi	40200	0.54	01-04-2016	—	—	—	—
	-Closing Balance	—	—	31-03-2017	—	No Change	40200	0.54
9	Ranjeet Singh Sibia	40000	0.54	01-04-2016	—	—	—	—
	-Closing Balance	—	—	31-03-2017	—	No Change	40000	0.54
10	India Infoline Limited	34501	0.46	01-04-2016	-	-	-	-
		—	—	08-04-2016	696	Buy	35197	0.47
		—	—	15-04-2016	-605	Sold	34592	0.46
		—	—	22-04-2016	-92	Sold	34500	0.46
		—	—	29-07-2016	10	Buy	34510	0.46
		—	—	05-08-2016	-10	Sold	34500	0.46
		—	—	12-08-2016	12	Buy	34512	0.46
		—	—	19-08-2016	13	Buy	34525	0.46
		—	—	26-08-2016	-25	Sold	34500	0.46
		—	—	02-09-2016	243	Buy	34743	0.47
		—	—	09-09-2016	-243	Sold	34500	0.46
		—	—	30-09-2016	100	Buy	34600	0.46
		—	—	07-10-2016	-100	Sold	34500	0.46
		—	—	23-12-2016	30	Buy	34530	0.46
		—	—	30-12-2016	-30	Sold	34500	0.46
		—	—	13-01-2017	20	Buy	34520	0.46
		—	—	20-01-2017	-20	Sold	34500	0.46
	-Closing Balance	—	—	31-03-2017	50	Buy	34550	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		Date	Increase / Decrease in shareholding	Reason	Share holding at the end of the Year	
		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	3767963	50.57	01-04-2016	—	—	—	—
	-Closing Balance	—	—	31-03-2017	—	—	3767963	50.57
2	Mr. A. H. Jehangir, Director	100	0.00	01-04-2016	—	—	—	—
	-Closing Balance	—	—	31-03-2017	—	—	100	0.00
3	Mrs. Kavita Thadeshwar, Company Secretary	—	—	01-04-2016	—	—	—	—
		—	—	12-07-2016	1	Buy	1	0.00
	-Closing Balance	—	—	31-03-2017	—	—	1	0.00

Note : None of the KMP/ Directors except Mrs. S. F. Vakil, Mr. A. H. Jehangir & Mrs. Kavita Thadeshwar 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	68,60,751	—	—	68,60,751
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	68,60,751	—	—	68,60,751
Change in Indebtedness during the financial year ;				
a) Addition	3,00,00,000	—	—	3,00,00,000
b) Reduction	(18,94,559)	—	—	(18,94,559)
Net Change	2,81,05,441	—	—	2,81,05,441
Indebtedness at the end of the financial year;				
i) Principal Amount	3,49,66,192	—	—	3,49,66,192
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	2,36,959	—	—	2,36,959
Total (i+ii+iii)	3,52,03,151	—	—	3,52,03,151



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	1,00,80,094
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	18,70,326
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—
2	Stock Option	—
3	Sweat Equity	—
4	Commission Commission - as % of profit - others, specify...	—
5	Others; Performance Incentive for F.Y. 2016-17	22,50,000
	Total (A)	1,42,00,420
	Ceiling as per the Companies Act: Remuneration paid as per Section 197 read with Schedule V to the Companies Act, 2013.	

B. Remuneration to other Directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Non-Executive Directors			Total Amount
1	Independent Directors	Dr. A. M. Naik	Mr. K. D. Patel	Mr. K. M. Elavia	
	a) Fee for attending Board/ Committee meeting	2,35,000	3,10,000	3,20,000	8,65,000
	b) Commission	—	—	—	—
	c) Others, please specify	—	—	—	—
	Total (1)	2,35,000	3,10,000	3,20,000	8,65,000
2	Other Non-Executive Directors	Mr. A. H. Jehangir			
	a. Fee for attending Board/ Committee meetings	2,10,000			2,10,000
	b. Commission	—			—
	c. Others, please specify	—			—
	Total (2)	2,10,000			2,10,000
	Total (B) = (1+2)				10,75,000
	Total Managerial Remuneration (A) + (B)				1,52,75,420
	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			Total
		Mrs. Meher Taff (Chief Operating Officer)	Mr. Nitin Nimkar (Chief Financial Officer)	Mrs. Kavita Thadeshwar (Company Secretary)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	50,62,391	33,99,700	22,54,500	1,07,16,591
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,18,000	21,600	—	6,39,600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission	—	—	—	—
	- as % of profit	—	—	—	—
	- others, specify...	—	—	—	—
5	Others, Performance Incentive for F.Y. 2016-17	12,00,000	—	—	12,00,000
	Total	68,80,391	34,21,300	22,54,500	1,25,56,191

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 2017.

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. Power factor kept unity, few capacitors replaced resulting in significant cost savings.
- ii. ETP treated water recycled for process cooling and water ring vacuum pumps resulting savings of MIDC fresh water up to 100m³/day.
- iii. LED bulbs installed for road lights to save energy.
- iv. 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.
- ii. Replacement of two worm gear boxes with higher efficient Planetary gear box and VFD.

(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	2016-17	2015-16
A.	Power and fuel consumption		
	1. ELECTRICITY		
	(a) Purchased		
	Units(KWH)	27,04,966	24,49,466
	Purchased cost of units (₹)	2,17,44,527	1,91,59,384
	Rate per unit purchased	8.04	7.82
	(b) Own generation		
	(i) Through Diesel Generator		
	No of units Generated (KWH)	15,843	14,847
	Diesel Oil consumed (KL)	5.62	4.99
	Cost of Diesel Oil consumed (₹)	3,41,058	2,73,798
	Cost of Diesel/Unit generated (₹)	21.53	18.44
	(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)	205.04	196.29
	Cost of Furnace oil consumed (₹)	42,24,468	42,17,849
	Average rate (₹/Lt.)	20.60	21.49

Sr. No	Description	2016-17	2015-16
	4. BIO-FUEL BRIQUETTES		
	Bio fuel briquettes consumed (MT)	2,380.54	2495.79
	Cost of B.F. briquettes consumed (₹)	1,33,24,209	1,52,93,661
	Average rate (₹/KG)	5.60	6.13
B	Consumption per unit of production in MT		
	Electricity-KWH/Ton	200.94	198.34
	Furnace Oil -(Lt./ Ton)	693.85	907.95
	Briquettes – (Ton / Ton)	0.18	0.20

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:
 - i. New Products were developed for products like new range of Pour Point Depressants for crude oil and lube oil, APEO free anionic emulsifier for paint industry, additives for Rayon industry, new mercerizing agents for Textile processing, Alkyl Polyglycosides for spin finish.
 - ii. Cost reduction, Process modification and performance improvement of existing PPDs and superplasticizers were done.
2. Benefits derived from these research and development projects:
 - i. New range of value added pour point depressants are introduced into the export market to increase business volumes.
 - ii. The scope of low cost construction chemicals would enhance under the current focus on infrastructure.
 - iii. Enhanced business with Rayon industry is anticipated.
 - iv. With the improved version of pigment dispersant, scope of increasing the volume of business is enhanced.
 - v. New type of surfactant from renewable resources would open up new applications based on green and value added chemistry
 - vi. More APEO free surfactants were added into the current range.
 - vii. Developed low dosage applications for reducing energy/water at customer end.
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 polyglycosides in addition to efforts on process modification and product quality improvement of existing products.
4. Expenditure on R&D during the year

Capital – Nil

Recurring – ₹ 1,51,41,389/-

Total R&D expenditure as a percentage of turnover: 1.14%

III. Technology absorption, adaptation and Innovation

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

IV. Foreign Exchange Earning and outgo:

Foreign Exchange Earned	₹ 533.60 millions
Foreign Exchange used for imports and other remittance	₹ 134.32 millions



CORPORATE GOVERNANCE REPORT

The following Corporate Governance Report is attached as a part of the Directors' Report of the Company for the year 2016-17.

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 4 (Four) Board Meetings were held on 14th May, 2016, 4th August, 2016, 11th November, 2016 and 6th February, 2017.

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	4	Yes	2	1/0
Mr. A.H. Jehangir (Promoter)	N.E.D	Director	4	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	3	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 14th May, 2016, 4th August, 2016, 11th November, 2016 and 6th February, 2017.

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	3
3. Mr. K. M. Elavia	4

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 and 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, no complaint was received from the shareholder, which has been attended/ resolved. There is no pending investor grievance as on March 31, 2017. 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 14th May, 2016. 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 14th May, 2016. 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 5th May, 2017 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 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 Individual Directors (including 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 ₹ 62,52,000/- Perquisites amounting to ₹ 56,98,420/- and Performance incentive amounting to ₹ 22,50,000/-. 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	2,00,000/-	10,000/-
Dr. A. M. Naik	1,50,000/-	85,000/-
Mr. K. D. Patel	2,00,000/-	1,10,000/-
Mr. K. M. Elavia	2,00,000/-	1,20,000/-

5. a) GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

Financial year	Date	Time	Location
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
2015 – 2016	04.08.2016	11.30 a.m	M.C. Ghia Hall, Mumbai

Special resolution passed at the last three Annual General Meeting:

Date of AGM	Purpose
04.08.2016	Re-appointment of Mrs. S. F. Vakil as Chairperson and Managing Director.

b) POSTAL BALLOT:

Pursuant to Section 110 of the Companies Act, 2013 ('the Act') read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the details of the resolutions passed during financial year 2016-17 by way of Postal Ballot are as follows:

A. The Company obtained approval of shareholders for following resolutions; the results of which were declared on 1st July, 2016; for the purpose of:

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.

Details of voting pattern of the above mentioned resolutions are as under:

Resolution No.	Total number of valid votes	Votes in favour of the resolution		Votes against the resolution	
		No. of Votes	Percentage of votes	No. of votes	Percentage of votes
1	4755470	4755049	99.99	421	0.01
2	4755470	4755249	99.99	221	0.01

All the aforesaid resolutions were passed with requisite majority.

- B. The Board of Directors had appointed Mr. Vijay Sonone, Practicing Company Secretary, and failing him, Mr. Alwyn D'Souza, Practicing Company Secretary of M/s Alwyn Jay & Co., Company Secretaries as the Scrutinizer to conduct the aforesaid postal ballot exercises in a fair and transparent manner. During the conduct of the postal ballot, the Company had in terms of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provided e-voting facility to its shareholders to cast their votes electronically through the CDSL e-voting platform. Postal ballot forms and business reply envelopes were sent to shareholders to enable them to cast their vote in writing on the postal ballot. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules. The scrutinizer submitted his report, after completion of the scrutiny, the results of voting by Postal Ballot were announced by the Company on 1st July 2016 and were sent to the Stock Exchanges and displayed on the Company's website. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

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:

- 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.
- Quarterly results have been published in Free Press Journal and Nav Shakti.
- Website of the company is www.dai-ichiindia.com
- Exclusive email id for investor correspondence/grievance redressal is investor@dai-ichiindia.com
- No presentations have been made to institutional investors or to analysts.
- The Management Discussion and Analysis Report forms part of Directors' Report.

8. GENERAL SHAREHOLDER INFORMATION:

A. Annual General Meeting:

Date, Time and Venue:	17th July, 2017 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 2017 to 31st March 2018
First Quarter Results:	Second week of August, 2017
Half Yearly Results:	Second week of November, 2017
Third Quarter Results:	Second week of February, 2018
Audited results for the year ending 31st March, 2018:	Third week of May, 2018

C. Date of Book Closure	10th July, 2017 to 17th July, 2017
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D. Dividend Payment Date	31st July, 2017
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E. Listing on Stock Exchanges	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
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Payment of Annual Listing Fee:	The Company has paid the annual listing fees for the financial year 2017-18
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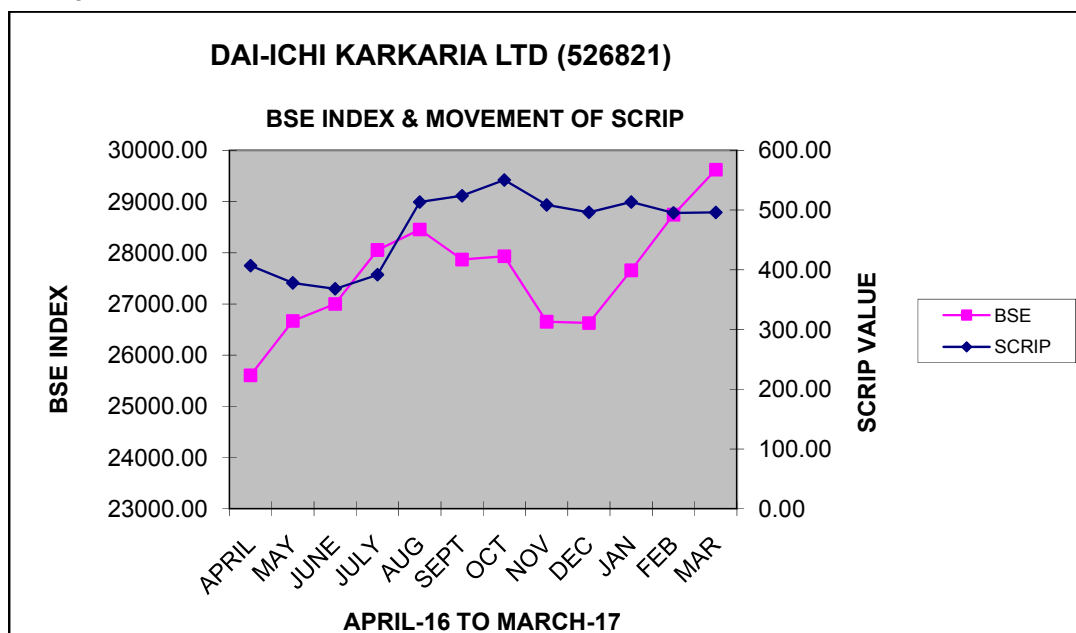
F. Stock Code - DAI ICH KARK
Demat ISIN Number for NSDL & CDSL INE928C01010

G. 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 2016	437.00	346.00
May 2016	422.90	357.50
June 2016	405.00	359.50
July 2016	419.00	365.00
August 2016	557.50	390.00
September 2016	625.00	481.00
October 2016	574.80	495.20
November 2016	585.00	441.00
December 2016	538.90	461.05
January 2017	551.95	475.50
February 2017	563.00	470.00
March 2017	508.00	452.00

H. Stock performance:



I. Registrar and Share Transfer Agent:

Registrars & Transfer Agent

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

J. 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.

K. Distribution of shareholding as on 31st March, 2017:

No. of shares slab	Number of shareholders	(%)	Number of shares	(%)
upto to 100	3190	62.10	200731	2.69
101 to 200	805	15.67	145972	1.96
201 to 500	630	12.26	234039	3.14
501 to 1000	225	4.38	174314	2.34
1001 to 5000	215	4.19	480799	6.45
5001 to 10000	38	0.74	282157	3.79
10001 to 100000	26	0.51	777186	10.43
100001 to above	8	0.16	5156031	69.20
TOTAL	5137	100	7451229	100

L. Shareholding pattern as on 31st March, 2017:

Categories of Shareholders		No. of shares held	%
A	Promoters Holding		
	Indian Promoters	4745639	63.69
	Foreign Promoters	Nil	Nil
	Persons acting in concert	Nil	Nil
	Sub Total	4745639	63.69
B	Non-Promoters Holding		
	Institutional Investors:		
	(i) Mutual Funds and UTI	1600	0.02
	(ii) Banks, Financial Institutions, Insurance Companies	Nil	Nil
	(iii) FIIs	Nil	Nil
	Sub Total	1600	0.02
	Others:		
	(i) Private Corporate Bodies	255352	3.43
	(ii) Indian Public	2040495	27.39
	(iii) NRIs/OCBs	195540	2.62
	(iv) Any other (Clearing Members)	212603	2.85
	Sub Total	2703990	36.29
	GRAND TOTAL	7451229	100.00

M. Dematerialisation of shares:

As on 31st March 2017, 72,37,852 equity shares representing 97.14% 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.

N. 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

D-2/20, GIDC, Phase -2, Dahej,
Dist. Bharuch, Gujarat
(upcoming plant)



0. 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. The policy for dealing with related party transaction is uploaded on the website of the Company at the following link: <http://www.dai-ichiindia.com/investor/RPT%20Policy.pdf>
- 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, 2017, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchange.

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 : 5th May, 2017



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, 2017, 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.

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 standalone 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.

In conducting 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.

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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements.

We believe that the audit evidence obtained by us 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, 2017, 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, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, 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.
- e) On the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 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, as amended, 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 standalone 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.
 - iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November, 2016 of the Ministry of Finance, during the period from 8 November 2016 to 30 December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.
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: 5 May, 2017



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section 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, 2017 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, 2017, 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 : 5 May, 2017



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 the terms of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. There were no unclaimed deposits as at the year end.
- (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, 2017 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, 2017 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	35,87,442
Income tax Act, 1961	Income Tax	A.Y. 2006-2007	High Court	29,81,358
Income tax Act, 1961	Income Tax	A.Y. 2007-2008	DCIT	1,83,969
Income tax Act, 1961	Income Tax	A.Y. 2009-2010	ITAT	*2,20,39,577
Income tax Act, 1961	Income Tax	A.Y. 2009-2010	CIT(A)	2,39,43,546
Income tax Act, 1961	Income Tax	A.Y. 2011-2012	DCIT	13,09,654
Income tax Act, 1961	Income Tax	A.Y. 2012-2013	DCIT	25,32,031
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	#10,94,908
Central Sales Tax Act, 1956	Central Sales Tax	F.Y. 2008-09	DCST	@61,48,165
Central Sales Tax Act, 1956	Central Sales Tax	F.Y. 2009-10	DCST	3,25,000
Service Tax	Service Tax	F.Y. 2008-09 to F.Y. 2011-12	Addl. Commissioner Central Excise & Service Tax	48,64,155

* Net of ₹ 75,00,000 paid under protest

Net of ₹ 4,00,000 paid under protest

@ Net of ₹ 90,000 paid under protest

There are no dues of Customs Duty, Excise Duty and Cess which have not been deposited as on 31 March, 2017 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) In our opinion and according to the information and explanations given to us, money raised by the way of term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (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-IA 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 : 5 May, 2017



Balance Sheet as at 31 March, 2017

Particulars	Note No.	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	7,45,12,290	7,45,12,290
(b) Reserves and surplus	4	1,13,35,22,877	95,50,89,552
		1,20,80,35,167	1,02,96,01,842
2 Non-current liabilities			
(a) Long-term borrowings	5	3,61,91,641	95,82,005
(b) Long-term provisions	6	1,72,81,098	1,31,95,793
		5,34,72,739	2,27,77,798
3 Current liabilities			
(a) Trade payables	7		
i) Total outstanding dues of Micro Enterprises and Small Enterprises		—	—
ii) Total outstanding dues of creditors other than Micro enterprises and Small enterprises		14,42,24,871	10,18,05,075
(b) Other current liabilities	8	7,77,99,915	2,13,45,137
(c) Short-term provisions	9	1,11,56,831	1,31,00,913
		23,31,81,617	13,62,51,125
TOTAL		1,49,46,89,523	1,18,86,30,765
B ASSETS			
1 Non-current assets			
(a) Fixed assets	10		
(i) Tangible Assets - Property, plant and equipment		19,98,07,235	15,52,95,865
(ii) Intangible assets		46,337	46,422
(iii) Capital work-in-progress		32,25,58,865	13,82,05,614
(iv) Intangible assets under development		18,14,642	12,79,984
		52,42,27,079	29,48,27,885
(b) Non-current investments	11	4,20,12,482	2,47,81,538
(c) Deferred tax assets	12	1,38,92,963	1,28,77,073
(d) Long-term loans and advances	13	11,28,63,851	5,52,05,432
		16,87,69,296	9,28,64,043
		69,29,96,375	38,76,91,928
2 Current assets			
(a) Current investments	14	29,35,82,336	37,90,53,494
(b) Inventories	15	16,28,18,142	12,44,18,187
(c) Trade receivables	16	20,50,48,300	18,37,33,574
(d) Cash and cash equivalents	17	4,78,31,431	6,87,17,593
(e) Short-term loans and advances	18	8,41,85,844	4,40,23,892
(f) Other current assets	19	82,27,095	9,92,097
		80,16,93,148	80,09,38,837
TOTAL		1,49,46,89,523	1,18,86,30,765

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

S. F. Vakil
Chairperson & Managing Director
(DIN: 00002519)

Adi Jehangir
Director
(DIN: 00001752)

Anil Naik
Director
(DIN: 00002670)

K. A. Katki
Partner
Place : Mumbai
Date : 5 May, 2017

Kavas Patel
Director
(DIN: 00002634)

Keki Elavia
Director
(DIN: 00003940)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Statement of Profit and Loss for the year ended 31 March, 2017

Particulars	Note No.	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
1 Revenue from operations (gross)	20	1,33,97,58,678	1,24,94,07,673
Less: Excise duty		8,00,43,997	8,61,00,724
Revenue from operations (net)		1,25,97,14,681	1,16,33,06,949
2 Other income	21	8,91,72,789	9,03,37,636
3 Total revenue (1+2)		1,34,88,87,470	1,25,36,44,585
4 Expenses			
(a) Cost of materials consumed	22	78,44,02,993	71,98,19,327
(b) Changes in inventories of finished goods, work-in-progress	23	(2,17,20,687)	1,91,659
(c) Employee benefits expenses	24	14,18,25,314	13,01,22,813
(d) Finance costs	25	10,47,147	45,79,683
(e) Depreciation and amortisation expense	28	2,01,67,124	2,08,66,733
(f) Other expenses	26	18,52,56,875	16,65,28,451
Total Expenses		1,11,09,78,766	1,04,21,08,666
5 Profit before Tax (3-4)		23,79,08,704	21,15,35,919
6 Tax expense/(benefit) :			
(a) Current Tax	27	6,02,00,000	5,67,00,000
(b) Taxation adjustments of earlier years	27	2,91,269	-
(c) Deferred Tax credit (net)	27	(10,15,890)	(9,87,850)
Net tax expense		5,94,75,379	5,57,12,150
7 Profit for the year (5-6)		17,84,33,325	15,58,23,769
Earnings per Equity Share basic and diluted (of ₹ 10/- each)	33.2	23.95	20.91

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
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S. F. Vakil
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Anil Naik
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K. A. Katki
Partner
Place : Mumbai
Date : 5 May, 2017

Kavas Patel
Director
(DIN: 00002634)

Keki Elavia
Director
(DIN: 00003940)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary



Cash Flow Statement for the year ended 31 March, 2017

Particulars	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
A. Cash flow from operating activities		
Net Profit before tax	23,79,08,704	21,15,35,919
Adjustments for:		
Depreciation and amortisation expense	2,01,67,124	2,08,66,733
Adjustments to the carrying amount of investments	—	(16,399)
Bad trade and other receivables, loans & advances written off	—	6,17,648
Interest income	(39,35,205)	(37,00,096)
Dividend income	(6,85,81,105)	(5,86,47,744)
Profit on sale of Fixed Assets	—	(12,32,306)
Profit on sale of investments	(66,50,820)	(70,16,645)
Liabilities no longer required written back	(5,17,812)	(3,20,247)
Rent income	—	(1,21,52,790)
Finance costs	53,56,644	45,79,683
Net unrealised exchange difference during the year	(18,80,072)	(8,04,560)
Operating profit before working capital changes	18,18,67,458	15,37,09,196
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(3,83,99,955)	(81,03,615)
Trade receivables	(1,93,73,120)	(19,73,473)
Short-term loans and advances	(4,01,61,952)	(1,46,89,552)
Long-term loans and advances	(5,12,58,271)	(38,12,995)
Other Current Assets	(76,35,189)	—
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	4,28,18,041	20,17,609
Other current liabilities	5,71,63,747	(68,27,830)
Short-term provisions	(19,44,082)	80,44,909
Long-term provisions	40,85,305	(31,50,849)
	(5,47,05,476)	(2,84,95,796)
Cash generated from operations	12,71,61,982	12,52,13,400
Net income tax paid	(6,68,91,318)	(5,83,16,540)
Net cash flow from operating activities (A)	6,02,70,664	6,68,96,860
B. Cash flow from investing activities		
Additions to Tangible assets - Property, Plant & Equipment	(6,70,11,232)	(3,48,09,496)
Additions to CWIP - Property, Plant & Equipment	(18,20,20,427)	(8,05,46,456)
Additions to Intangible assets under development	(5,34,658)	(12,79,984)
Proceeds from bank fixed deposits	1,00,00,000	—
Movement in earmarked accounts - unpaid dividend accounts*	(63,93,414)	(1,09,92,924)
Current investments not considered as Cash and cash equivalents :		
- Purchased	(9,11,99,448)	(4,20,50,224)
- Proceeds from sale	16,60,90,381	6,23,65,999
Proceeds from sale of long-term investments	—	45,64,500
Compensation received for Kasarwadi Land	—	12,32,306
Interest received	43,35,396	35,52,965
Dividend received	6,85,81,105	5,86,47,744
Rent income	—	1,21,52,790
Net cash flow (used in) / from investing activities (B)	(9,81,52,297)	(2,71,62,780)

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

Cash Flow Statement for the year ended 31 March, 2017 (Contd.)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
C. Cash flow from financing activities		
Repayment of sales tax deferral	(21,73,501)	(20,07,558)
Long term borrowing - Term loan for Dahej Project	3,00,00,000	—
Receipt of Term loan	—	61,13,688
Repayment of Term Loan	(14,15,843)	(15,30,302)
Repayment of unclaimed deposits	—	(20,000)
Finance costs	(53,56,644)	(45,79,683)
Dividend paid	(5,09,989)	(4,00,82,626)
Tax on dividend	—	(83,42,899)
Net cash flow from financing activities (C)	2,05,44,023	(5,04,49,380)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(1,73,37,610)	(1,07,15,300)
 Cash and cash equivalent at the beginning of the year	 3,70,78,133	 4,73,69,624
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	58,034	4,23,809
Cash and cash equivalent at the end of the year	1,97,98,557	3,70,78,133
Net increase/ (decrease) in cash or cash equivalents	(1,73,37,610)	(1,07,15,300)
 Cash and Cash equivalents at the end of the year comprise	 For the year ended 31 March, 2017	 For the year ended 31 March, 2016
Cash and cash equivalents as per balance sheet		
a) Cash on hand	36,196	42,075
b) Balances with banks		
(i) in current accounts	1,97,62,361	3,70,36,058
Total Cash and Cash equivalents (Refer Note 17)	1,97,98,557	3,70,78,133
The accompanying notes are an integral part of the financial statements		

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

S. F. Vakil
Chairperson & Managing Director
(DIN: 00002519)**Adi Jehangir**
Director
(DIN: 00001752)**Anil Naik**
Director
(DIN: 00002670)**K. A. Katki**
Partner
Place : Mumbai
Date : 5 May, 2017**Kavas Patel**
Director
(DIN: 00002634)**Keki Elavia**
Director
(DIN: 00003940)**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 13 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 also has a joint venture Company - Nalco Champion Dai-Ichi Private Limited, 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 prescribed 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 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 which is over a period of six years.

Leasehold land is amortised over the duration of the lease which is over a period of 99 years.

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 Assets - Property, Plant & Equipment

Tangible Assets - Property, Plant & Equipment except Free Hold Land and certain assets of the Company located at Kasarwadi plant, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Tangible Assets - Property, Plant & Equipment 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 Tangible Assets - Property, Plant & Equipment 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 Tangible Assets - Property, Plant & Equipment 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 Tangible Assets - Property, Plant & Equipment 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.

Tangible Assets - Property, Plant & Equipment 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 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.

Intangible Assets

Intangible Assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of Intangible Assets comprises of its purchase price and any other directly attributable expenditure on making the asset ready for its intended use and net of trade discounts and rebates.

Capital work-in-progress

Projects under which Tangible Assets - Property, Plant & Equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible assets under development

Expenditure on software development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

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 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 determined based on Percentage Unit Credit Method with actuarial valuation 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 Fixed Assets are reviewed for impairment of 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 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, 2017		As at 31 March, 2016	
	Number of shares	₹	Number of shares	₹
Note 3 : Share Capital				
(A) Authorised				
Equity shares of ₹ 10/- each with voting rights	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
(B) Issued, Subscribed and fully paid				
Equity shares of ₹ 10/- each with voting rights	74,51,229	7,45,12,290	74,51,229	7,45,12,290
Total	74,51,229	7,45,12,290	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, 2017		As at 31 March, 2016	
	Number of shares	₹	Number of shares	₹
Equity shares				
Opening balance	74,51,229	7,45,12,290	74,51,229	7,45,12,290
Add / (Less) : Equity shares issued / bought back during the year	—	—	—	—
Closing balance	74,51,229	7,45,12,290	74,51,229	7,45,12,290

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

	As at 31 March, 2017		As at 31 March, 2016	
Class of shares / Name of shareholder	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
Mrs. S. F. Vakil	37,67,963	50.57	37,67,963	50.57

(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, 2017 ₹	As at 31 March, 2016 ₹
Note 4 : Reserves and Surplus		
(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	59,90,35,462	47,01,83,745
Add: Profit for the year	17,84,33,325	15,58,23,769
	77,74,68,787	62,60,07,514
Less : Interim Dividend to equity shareholders (₹ Nil per share) (Previous Year ₹ 3 per share)	—	2,23,53,687
Tax on dividend	—	45,50,670
Tax on dividend pertaining to earlier year	—	67,695
	—	2,69,72,052
Balance as at the end of the year	77,74,68,787	59,90,35,462
Total	1,13,35,22,877	95,50,89,552
	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
Note 5 : Long-term borrowings		
(a) Term loans from banks - Secured (Refer Note (i) below)	3,00,00,000	—
(b) Term loans from others - Secured (Refer Note (ii) below)	28,88,910	43,67,481
(c) Deferred sales tax liability - Unsecured (Refer Note (iii) below)	33,02,731	52,14,524
Total	3,61,91,641	95,82,005



Notes forming part of the Financial Statements

Note (i)

The term loan from Axis Bank is secured by:

- First pari-passu charge by way of hypothecation/mortgage of entire movable and immovable Fixed assets of the Company, both present and future at Dahej;
- Second pari-passu charge by way of hypothecation charge on entire current assets of the Company, including stock and book debts, both present and future;
- First pari-passu charge on entire movable and non movable Fixed Assets of the Company, both present and future at Kasarwadi and Kurkumbh.
- For other sanctioned but unutilized facilities as at 31 March, 2017. Refer Note 37

Terms of Loan - Axis Bank

Name of lender	Principal Loan amount	Rate of Interest
	₹	%
Axis Bank	50,00,00,000	9.30%

Interest is paid on a monthly basis at the rate of 9.30% per annum.

The principal amount of loan shall be repaid in 54 Monthly Installments from September 2018 i.e. after Moratorium of two years as under:

Particulars	Total Nos. of Installments	Outstanding Nos. of Installments	Monthly Installments	Principal Loan Amount
Financial Year 2018-19	6	6	75,00,000	4,50,00,000
Financial Year 2019-20	12	12	85,00,000	10,20,00,000
Financial Year 2020-21	12	12	95,00,000	11,40,00,000
Financial Year 2021-22	12	12	95,00,000	11,40,00,000
Financial Year 2022-23	11	11	1,00,00,000	11,00,00,000
Financial Year 2022-23	1	1	1,50,00,000	1,50,00,000
Total	54	54		50,00,00,000

Note (ii)

The term loans are secured by hypothecation of the vehicles purchased under the loans.

Terms of Loan - Others

Name of lender	Original Loan amount	Rate of Interest	EMI Amount	Total Nos. of EMI	Outstanding EMI
	₹	%	₹	Nos.	Nos.
HDFC Bank Ltd.	4,61,000	12.50%	10,268	60	5
Kotak Mahindra Prime Ltd.	13,00,000	9.50%	32,656	48	44
Daimler Financial Services Pvt Ltd.	48,13,688	9.25%	1,19,476	48	42

Note (iii)

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 upto 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.

Notes forming part of the Financial Statements

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

Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
Financial Year 2016-17	—	21,73,501
Financial Year 2017-18	19,11,793	19,11,793
Financial Year 2018-19	15,01,600	15,01,600
Financial Year 2019-20	9,92,361	9,92,361
Financial Year 2020-21	5,85,818	5,85,818
Financial Year 2021-22	2,22,952	2,22,946
Total	52,14,524	73,88,020

Note (iv)

The Company has not defaulted on repayment of interest and loans as at the balance sheet date.

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

Note 6 : Long-term provisions

Provision for employee benefits

(i) Provision for gratuity (Refer Note 30)	52,19,331	25,41,027
(ii) Provision for compensated absences	1,20,61,767	1,06,54,766
Total	1,72,81,098	1,31,95,793

Note 7 : Trade payables

Trade payables:

i) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note (i) below)	—	—
ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises [including acceptances of ₹ Nil (As at 31 March, 2016 : ₹ Nil)]	14,42,24,871	10,18,05,075
Total	14,42,24,871	10,18,05,075

Note (i):

	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
(i) Principal Amount remaining unpaid to any supplier as at the end of the accounting year	—	—
(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 period of the delay in making payment (which have been paid but beyond the appointed date during the year but without adding the interest specified under the MSMED Act	—	—
(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	—	—
Total	—	—

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 Financial Statements

Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
Note 8 : Other current liabilities		
(a) Current maturities of long term borrowings (Refer Note 5)		
(i) Term loans from banks & others - Secured	14,78,571	14,15,843
(ii) Deferred sales tax liabilities - Unsecured	19,11,793	21,73,501
(b) Interest accrued but not due on term loan	2,36,959	—
(c) Unpaid dividends	21,12,792	26,22,781
(d) Security Deposits	2,05,000	2,05,000
(e) Other payables:		
(i) Statutory remittances (TDS, Provident fund, Excise duty & Service Tax)	28,35,870	71,84,502
(ii) Payables on purchase of Fixed assets	6,24,68,955	11,26,797
(iii) Advance from customers	7,66,455	12,05,097
(iv) Other liabilities (Bonus, Commission, etc.)	57,83,520	54,11,616
Total	7,77,99,915	2,13,45,137
Note 9 : Short-term provisions		
Provision for employee benefits		
(i) Provision for Gratuity (Refer Note 30)	64,66,130	90,56,159
(ii) Provision for Compensated Absences	46,90,701	40,44,754
Total	1,11,56,831	1,31,00,913

Notes forming part of the Financial Statements

Note 10: Fixed assets

Particulars	Gross block				Accumulated depreciation/amortisation				Net Block
	As at 1 April, 2016	Additions	Deductions	As at 31 March, 2017	As at 1 April, 2016	For the year	Deductions	As at 31 March, 2017	
A. Tangible Assets -Property, Plant & Equipment									
(a) Leasehold Land - Kurkumbh & Dahej (Refer Note (i))	18,58,391	5,13,22,213	—	5,31,80,604	3,53,916	23,53,473	—	27,07,389	
Previous Year	18,58,391	—	—	18,58,391	3,33,267	20,649	—	3,53,916	
(b) Freehold Land	5,04,50,988	—	—	5,04,50,988	—	—	—	—	
Previous Year	5,04,50,988	—	—	5,04,50,988	—	—	—	—	
(c) Buildings Residential	1,65,16,917	—	—	1,65,16,917	1,19,59,848	9,80,576	—	1,29,40,424	
Previous Year	1,65,16,917	—	—	1,65,16,917	1,07,10,244	12,49,604	—	1,19,59,848	
(d) Buildings: Non Residential	6,45,86,039	—	—	6,45,86,039	5,72,11,778	10,06,173	—	5,82,17,951	
Factory building	6,45,86,039	—	—	6,45,86,039	5,59,38,420	12,73,358	—	5,72,11,778	
Previous Year	6,45,86,039	—	—	6,45,86,039	5,59,38,420	12,73,358	—	5,72,11,778	
Office Premises	2,90,84,465	—	—	2,90,84,465	1,61,31,628	23,27,461	—	1,84,59,089	
Previous Year	2,90,84,465	—	—	2,90,84,465	1,32,94,343	28,37,285	—	1,61,31,628	
(e) Plant & Equipment	34,67,32,610	90,41,062	—	35,57,73,672	28,17,51,577	1,09,60,618	—	6,30,61,477	
Previous Year	31,74,13,212	2,93,19,398	—	34,67,32,610	27,09,08,168	1,08,43,409	—	28,17,51,577	
(f) Furniture & Fixtures	2,02,85,464	13,51,477	—	2,16,36,941	1,87,77,154	4,41,163	—	1,92,18,317	
Previous Year	2,02,13,992	71,472	—	2,02,85,464	1,73,36,552	14,40,602	—	1,87,77,154	
(g) Office Equipment including Laboratory, Factory	3,06,19,353	50,21,480	—	3,56,40,833	2,71,78,859	21,93,380	—	2,93,72,239	
Equipment, Air conditioners etc	2,94,66,369	11,52,984	—	3,06,19,353	2,59,17,250	12,61,609	—	2,71,78,859	
Previous Year	1,80,93,979	2,75,000	—	1,83,68,979	1,12,96,539	20,75,053	—	1,33,71,592	
(h) Vehicles	1,22,25,600	58,68,379	—	1,80,93,979	97,03,493	15,93,046	—	1,12,96,539	
Previous Year	—	—	—	—	—	—	—	—	
Capital Expenditure - Scientific Research:									
(a) Buildings - Non Residential	14,20,149	—	—	14,20,149	13,66,738	3,031	—	13,69,769	
Previous Year	14,20,149	—	—	14,20,149	13,63,886	2,852	—	13,66,738	
(b) Plant & Equipment	79,88,223	—	—	79,88,223	72,82,913	1,05,335	—	73,88,249	
Previous Year	79,88,223	—	—	79,88,223	70,32,511	2,50,402	—	72,82,913	
(c) Furniture & Fixtures	6,31,513	—	—	6,31,513	6,02,169	—	—	6,02,169	
Previous Year	6,31,513	—	—	6,31,513	6,02,169	—	—	6,02,169	
(d) Office Equipment including Laboratory, Factory	1,60,47,378	—	—	1,60,47,378	1,51,06,485	53,599	—	1,51,60,084	
Equipment, Air conditioners etc	1,59,68,813	78,565	—	1,60,47,378	1,50,14,356	92,129	—	1,51,06,485	
Previous Year	—	—	—	—	—	—	—	—	
A. Total Tangible Assets - Property, Plant & Equipment	60,43,15,469	6,70,11,232	—	67,13,26,701	44,90,19,604	2,24,99,863	—	47,15,19,467	
Previous Year	56,78,24,671	3,64,90,798	—	60,43,15,469	42,81,54,659	2,08,64,945	—	44,90,19,604	
B. Intangible Assets (Acquired)									
Computer Software	9,26,620	—	—	9,26,620	8,80,198	85	—	8,80,283	
Previous year	9,26,620	—	—	9,26,620	8,78,410	1,788	—	8,80,198	
Total (A+B)	60,52,42,089	6,70,11,232	—	67,22,53,321	44,98,99,802	2,24,99,948	—	47,23,99,750	
Previous year	56,87,51,291	3,64,90,798	—	60,52,42,089	42,90,33,069	2,08,66,733	—	44,98,99,802	
C. Capital Work-in-Progress - Property, Plant & Equipment (Refer Note (ii) - (a))									
Previous year	—	—	—	—	—	—	—	—	
D. Intangible Assets under development (Refer Note (ii) - (b))									
Computer Software	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
Total	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
E. Total Intangible Assets	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
F. Total Assets	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
G. Total Liabilities	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
H. Total Equity	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
I. Total Assets less Liabilities	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
J. Total Assets less Liabilities and Equity	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
K. Total Assets less Liabilities and Equity and Total Intangible Assets	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
L. Total Assets less Liabilities and Equity and Total Intangible Assets and Total Capital Work-in-Progress	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
M. Total Assets less Liabilities and Equity and Total Intangible Assets and Total Capital Work-in-Progress and Total Computer Software	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
N. Total Assets less Liabilities and Equity and Total Intangible Assets and Total Capital Work-in-Progress and Total Computer Software and Total Computer Software	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
O. Total Assets less Liabilities and Equity and Total Intangible Assets and Total Capital Work-in-Progress and Total Computer Software and Total Computer Software and Total Computer Software	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
P. Total Assets less Liabilities and Equity and Total Intangible Assets and Total Capital Work-in-Progress and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
Q. Total Assets less Liabilities and Equity and Total Intangible Assets and Total Capital Work-in-Progress and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
R. Total Assets less Liabilities and Equity and Total Intangible Assets and Total Capital Work-in-Progress and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
S. Total Assets less Liabilities and Equity and Total Intangible Assets and Total Capital Work-in-Progress and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
T. Total Assets less Liabilities and Equity and Total Intangible Assets and Total Capital Work-in-Progress and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
U. Total Assets less Liabilities and Equity and Total Intangible Assets and Total Capital Work-in-Progress and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
V. Total Assets less Liabilities and Equity and Total Intangible Assets and Total Capital Work-in-Progress and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
W. Total Assets less Liabilities and Equity and Total Intangible Assets and Total Capital Work-in-Progress and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
X. Total Assets less Liabilities and Equity and Total Intangible Assets and Total Capital Work-in-Progress and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
Y. Total Assets less Liabilities and Equity and Total Intangible Assets and Total Capital Work-in-Progress and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software	—	—	—	—	—	—	—	—	
Previous year	—	—	—	—	—	—	—	—	
Z. Total Assets less Liabilities and Equity and Total Intangible Assets and Total Capital Work-in-Progress and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software and Total Computer Software 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Notes forming part of the Financial Statements

Note (i):

Out of the total depreciation on Tangible Assets - Property, Plant & Equipment for the year of ₹ 2,24,99,863 (Previous Year ₹ 2,08,64,945), depreciation on leasehold land of ₹ 23,32,824 (Previous Year ₹ Nil) being depreciation for Dahej project is transferred to Capital work-in-progress- Property, Plant & Equipment and ₹ 2,01,67,124 has been charged off to the Statement of Profit and Loss. (Refer Note 28).

Note (ii):

(a) Details of Capital work in progress pending capitalisation for Tangible assets - Property Plant & Equipment is as under:

Particulars	Opening Balance as at March 31, 2016	Addition to Capital work in progress	Transfer to Tangible assets	Closing balance as at March 31, 2017
Capital Expenditure for Kasarwadi Location	61,10,033	—	61,10,033	—
Expenditure incurred for Dahej Project:				
Land at Dahej Location	5,13,22,213	—	5,13,22,213	—
Depreciation on leasehold land	—	23,32,824	—	23,32,824
Plant and Equipment	—	6,42,08,082	—	6,42,08,082
Electrical Installation	—	54,15,526	—	54,15,526
Civil Work	7,14,69,568	11,74,53,472	—	18,89,23,040
Professional Fees	84,74,405	3,82,33,946	—	4,67,08,351
Borrowing cost	—	43,09,497	—	43,09,497
Other Expenditure	8,29,395	98,32,150	—	1,06,61,545
Total	13,82,05,614	24,17,85,497	5,74,32,246	32,25,58,865

(b) Details of Intangible assets under development pending capitalisation for is as under:

Particulars	Opening Balance as at March 31, 2016	Addition to Capital work in progress	Transfer to Tangible assets	Closing balance as at March 31, 2017
Intangible Assets at Kasarwadi - Computer Software	12,79,984	5,34,658	—	18,14,642
Total	12,79,984	5,34,658	—	18,14,642

Note (iii) :

During the current year, the Company has reassessed the useful lives of assets, which is in line with such assessment in the previous year.

Notes forming part of the Financial Statements

Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
Note 11 : Non-current investments		
Investments (at cost, unless otherwise stated)		
A) Trade Investments		
(a) Investment 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.	4,85,000	4,85,000
(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.	67,50,000	67,50,000
Total - Trade (A)	72,35,000	72,35,000
B) Other Investments		
(a) Other than trade, in equity instruments		
i) 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
ii) 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
	18,79,002	18,79,002
(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
20 units (Previous year Nil units) of J M Financial Debentures of ₹ 10,00,000 each	2,01,86,480	—
	3,31,83,480	1,29,97,000
(c) Other than trade, in mutual funds		
Quoted:		
Nil Grams (Previous year 1,580 grams) of Benchmark MF Gold Bees	—	29,55,536
	—	29,55,536
Total - Other Investments (B)	3,50,62,482	1,78,31,538
Total (A+B)	4,22,97,482	2,50,66,538
Less : Provision for diminution in value of investment - Investment in Equity Shares of Dai-ichi Gosei Chemicals (India) Limited	2,85,000	2,85,000
Total non-current investments	4,20,12,482	2,47,81,538
1) Aggregate cost of quoted investments	3,49,12,482	1,76,81,538
2) Aggregate market value of listed and quoted investments	7,64,40,843	5,26,32,906
3) Aggregate cost of unquoted investments (net of diminution in value written off)	71,00,000	71,00,000



Notes forming part of the Financial Statements

Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
Note 12 : Deferred tax assets		
Deferred tax assets:		
On Employee benefits	99,43,474	92,02,439
On Provision for Doubtful Trade Receivables	5,42,284	4,19,625
On Commission	4,29,899	2,95,553
On Bonus	10,05,959	11,88,865
On Tangible fixed assets - Property, Plant & Equipment	4,00,777	17,70,591
On CENVAT on closing stock	15,70,570	—
Total	1,38,92,963	1,28,77,073
Note 13 : Long-term loans and advances		
Unsecured considered good		
(a) Capital Advances	3,27,38,989	1,54,875
(b) Security deposits	2,67,11,924	1,92,07,905
(c) Prepaid expenses	8,16,899	2,61,584
(d) VAT credit receivable	1,36,51,047	30,36,224
(e) Advance Tax (Net of provisions ₹ 32,80,21,197 (Previous year ₹ 26,75,29,928)	3,89,44,992	3,25,44,844
Total	11,28,63,851	5,52,05,432
Note 14 : Current investments		
Other than trade (Valued at cost or market value whichever is less)		
Unquoted Mutual Funds (Refer Note (i) below)	29,35,82,336	37,90,53,494
Total	29,35,82,336	37,90,53,494
Notes		
1) Aggregate cost of quoted investments	—	—
2) Aggregate market value of listed and quoted investments	—	—
3) Aggregate cost of unquoted investments	29,35,82,336	37,90,53,494

Notes forming part of the Financial Statements

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

Name of Mutual Fund	Scheme of Mutual Fund	Face Value	As at 31 March 2017		As at 31 March 2016	
			No of units	₹	No of units	₹
Birla Sun Life	Life Saving Fund- Daily Dividend - Regular Plan - Reinvestment	10	14,294	14,33,945	4,54,376	4,55,72,590
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
Franklin Templeton	Short Term Income Plan - Retail Plan	10	10,713	3,05,00,000	10,713	3,05,00,000
Franklin Templeton	Corporate Bond Opportunities Fund	10	4,79,299	53,11,588	9,02,364	1,00,00,000
Franklin Templeton	Ultra Short Term Fund - Super Institutional Plan	10	—	—	23,59,686	2,37,36,846
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
JM Financial	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	45,457	4,59,85,189	43,361	4,38,64,938
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	29,29,484	7,62,00,000	27,53,558	7,12,00,000
Sundaram	Flexible Fund - Short Term Plan Regular Growth	10	4,99,820	1,00,00,000	4,99,820	1,00,00,000
TOTAL				29,35,82,336	-	37,90,53,494



Notes forming part of the Financial Statements

Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
Note 15 : Inventories		
At lower of cost and net realisable value		
(a) Raw Materials & Packing Materials	7,55,71,960	5,40,13,730
Material-in-transit	5,15,769	53,34,694
	7,60,87,729	5,93,48,424
(b) Fuels	15,32,782	15,92,819
(c) Work-in-progress:		
Anionic/Cationic	—	1,50,431
Non Ionic	—	13,86,938
Oil Field	—	5,14,722
Miscellaneous	—	24,85,440
	—	45,37,531
(d) Semi Finished Goods	2,28,27,705	1,52,65,203
(e) Finished Goods	6,23,69,926	4,36,74,210
Total	16,28,18,142	12,44,18,187

Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
Note 16 : Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured - considered Good	5,74,484	4,57,045
- considered Doubtful	8,58,090	12,12,510
	14,32,574	16,69,555
Less: Provision for doubtful trade receivables	8,58,090	12,12,510
	5,74,484	4,57,045
Other Trade receivables - Unsecured, considered Good	20,44,73,816	18,32,76,529
Total	20,50,48,300	18,37,33,574

Notes forming part of the Financial Statements

Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
Note 17 : Cash and cash equivalents		
A. Cash and cash equivalents (as per AS 3 Cash Flow Statements)		
(a) Cash on hand	36,196	42,075
(b) Balances with banks		
(i) In current accounts	1,73,95,988	1,44,55,754
(ii) In EEFC accounts	23,66,373	2,25,80,304
Total - Cash and cash equivalents (as per AS 3 Cash Flow Statements) (A)	1,97,98,557	3,70,78,133
B. Other bank balances (Refer Note (i) below)		
(i) In other deposit accounts		
- Original maturity of more than 3 months	—	1,00,00,000
(ii) In earmarked accounts		
- Unpaid dividend accounts	21,12,792	26,22,781
- Balances held as margin money against guarantees and other commitments	2,59,20,082	1,90,16,679
Total - Other bank balances (B)	2,80,32,874	3,16,39,460
Total Cash and cash equivalents (A+B)	4,78,31,431	6,87,17,593
Note (i):		
Balances with banks include deposits with remaining maturity of more than 12 months from the balance sheet date	—	5,52,817

Note 18 :Short-term loans and advances

Unsecured, considered Good

	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
(a) Loans and advances to employees	2,09,640	1,18,609
(b) Prepaid expenses	57,75,289	37,55,668
(c) Balances with government authorities :		
i) Cenvat credit receivable	4,96,66,462	1,76,74,805
ii) Service Tax credit receivable	1,86,23,214	1,30,86,346
iii) Duty drawback receivable	27,72,893	13,18,831
(d) Others (advances to suppliers etc.)	71,38,346	80,69,633
Total	8,41,85,844	4,40,23,892

Note 19 : Other Current Assets

	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
(a) Interest accrued on bank deposits	—	2,33,679
(b) Interest accrued on other deposits	5,91,906	7,58,418
(c) Export incentives receivable	76,35,189	—
Total	82,27,095	9,92,097



Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
Note 20 : Revenue from operations		
(a) Sale of products (Gross) (Refer Note (i) below)	1,31,10,76,005	1,23,32,39,664
(b) Sale of services (Job work)	69,42,261	43,11,844
(c) Other operating revenues (Refer Note (ii) below)	2,17,40,412	1,18,56,165
	1,33,97,58,678	1,24,94,07,673
(d) Less: Excise duty on revenue from operations	8,00,43,997	8,61,00,724
Total	1,25,97,14,681	1,16,33,06,949

Notes:

(i) Sale of products comprises:

Manufactured goods

Anionic / Cationic	12,70,20,971	12,75,79,009
Non Ionic	30,73,05,657	22,57,83,276
Textile	10,77,06,450	11,04,67,213
Oil Field	54,77,19,851	47,75,22,490
Flocculants	6,26,68,131	6,50,97,332
Others	15,86,54,945	22,67,90,344
Total - Sale of products	1,31,10,76,005	1,23,32,39,664

(ii) Other operating revenues comprises:

Export Incentive	1,82,20,971	80,77,353
Scrap sales	29,18,877	28,12,252
Other (Discounts).....	6,00,564	9,66,560
Total - Other operating revenues	2,17,40,412	1,18,56,165

Note 21 : Other income

(a) Interest income (Refer Note (i) below)	39,35,205	37,00,096
(b) Dividend income:		
from Current Investments	61,13,885	75,63,213
from long-term investments:		
Joint venture	6,18,75,000	5,06,25,000
Others	5,92,220	4,59,531

Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
(c) Net gain on sale of investments		
Current investments	66,50,820	70,16,645
(d) Other non operating income		
Rental income from operating lease	—	1,21,52,790
Profit on sale of assets (Refer note 29.7)	—	12,32,306
Sundry balances written back	5,17,812	3,20,247
Provisions for bad trade receivable no longer required written back	3,54,420	-
Miscellaneous receipts	1,95,853	2,11,030
Refund of Property tax	49,64,941	-
Net gain on foreign currency transactions and translation	39,72,633	70,56,778
Total	8,91,72,789	9,03,37,636
Note		
(i) Interest income comprises:		
Interest from banks on deposits	18,08,493	19,41,790
Interest from banks on other balances	3	43
Interest on loans and advances	—	1,406
Interest income from long term investments	13,42,704	13,43,238
Others Interest (Interest on overdue trade receivable, interest on VAT refund etc)	7,84,005	4,13,619
Total	39,35,205	37,00,096
Note 22 : Cost of materials consumed		
Opening Stock	5,93,48,424	5,02,01,603
Add : Purchases	80,11,42,298	72,89,66,148
Less : Closing Stock	(7,60,87,729)	(5,93,48,424)
Cost of materials consumed	78,44,02,993	71,98,19,327
Raw Materials consumed comprise (Refer Note (i) below)		
Ethylene Oxide	12,81,14,147	14,67,85,712
Fatty Alcohol, Phenol & Glycol	25,48,38,319	21,18,70,739
Oils & Fatty Acids	3,32,30,016	2,11,82,616
Acrylamide	2,09,92,756	1,72,97,557
Amines	2,17,56,247	3,84,59,719
Other items	32,54,71,508	28,42,22,984
Total	78,44,02,993	71,98,19,327

Note (i)

Raw material consumed:

	For the year ended 31 March, 2017 %	₹	For the year ended 31st March, 2016 %	₹
Imported	17.55%	13,76,71,946	22.10%	15,90,65,563
Indigenous	82.45%	64,67,31,047	77.90%	56,07,53,764
Total	100%	78,44,02,993	100%	71,98,19,327



Notes forming part of the Financial Statements

Particulars

Note 23 :Changes in inventories of finished goods, work-in-progress Inventories at the end of the year

	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
Finished goods	6,23,69,926	4,36,74,210
Semi finished goods	2,28,27,705	1,52,65,203
Work-in-progress :		
Anionic / Cationic	—	1,50,431
Non Ionic	—	13,86,938
Oil field	—	5,14,722
Miscellaneous	—	24,85,440
	8,51,97,631	6,34,76,944

Inventories at the beginning of the year

Finished goods	4,36,74,210	4,51,26,333
Semi finished goods	1,52,65,203	1,62,84,127
Work-in-progress :		
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	—
Sizing	—	92,282
Miscellaneous	24,85,440	—
	6,34,76,944	6,36,68,604
Net (increase) / decrease	(2,17,20,687)	1,91,659

Note 24 : Employee benefits expense

	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
Salaries and wages	12,05,77,196	10,99,41,643
Contributions to provident and other funds	1,18,55,263	1,14,86,335
Staff welfare expenses	93,92,855	86,94,835
Total	14,18,25,314	13,01,22,813

Note 25 : Finance costs

	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
Interest on Term Loans (Refer Note below).....	4,81,616	1,84,546
Interest on Service Tax	—	43,00,784
Interest - Others (Sales Tax)	5,65,531	94,353
Total	10,47,147	45,79,683

Note:

In addition to the above, during the year, the Company has incurred borrowing cost (including loan processing fees and stamp duty) amounting to ₹ 43,09,497 (Previous Year ₹ Nil) which is disclosed under Capital work-in-progress - Property, Plant & Equipment.

Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
Note 26 : Other Expenses		
Consumption of stores and spare parts	77,57,269	82,59,344
Power and fuel	4,56,49,706	4,32,25,181
Rent	73,29,078	44,14,752
Rates and taxes	28,23,561	34,55,490
Telephone, telex and telegrams	27,18,649	21,70,947
Insurance	20,84,031	19,40,332
Excise duty*	20,78,188	12,66,398
Repairs and maintenance :		
Buildings	11,34,314	7,97,898
Plant & Equipment	76,21,449	67,28,586
Others	37,48,612	36,15,242
Travelling Expenses	52,30,835	46,70,200
Vehicle Expenses	14,57,907	10,31,527
Legal and professional	84,41,031	83,74,006
Payments to auditors (Refer Note (i) below)	39,20,991	42,33,234
Bank Charges	32,62,570	29,72,871
Directors' Sitting Fees	10,75,000	12,25,000
Expenditure on Corporate Social Responsibility - Donation (Refer Note 29.6)	22,15,000	5,00,000
Donations	2,59,000	20,000
Commission on sales	1,40,12,394	1,58,53,450
Freight Expenses	3,27,07,070	2,64,42,648
(Reversal) /Diminution in value of current investments	—	(16,399)
Bad trade and other receivables, loans & advances written off	—	12,11,441
Less: Adjusted out of Provision for Doubtful trade receivables for earlier years	—	(5,93,793)
	—	6,17,648
Miscellaneous expenses	2,97,30,220	2,47,30,096
Total	18,52,56,875	16,65,28,451

* represents excise duty on difference between Closing and Opening stock



Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
Note(i)		
Payments to the auditors comprises (net of service tax)		
To statutory auditors		
For audit	25,46,400	24,68,000
For tax audit	4,50,000	8,59,000
For limited review	9,00,000	9,00,000
For out of pocket expenses	24,591	6,234
Total	39,20,991	42,33,234
 Note 27 : Tax expense / (benefit)	 For the year ended 31 March, 2017 ₹	 For the year ended 31 March, 2016 ₹
a) Current Tax	6,02,00,000	5,67,00,000
b) Taxation adjustments of earlier years	2,91,269	—
c) Deferred tax Credit (net)	(10,15,890)	(9,87,850)
Total	5,94,75,379	5,57,12,150
 Note 28 : Depreciation and amortisation expenses	 For the year ended 31 March, 2017 ₹	 For the year ended 31 March, 2016 ₹
Depreciation for the year on Tangible Assets - Property, Plant & Equipment charged off to the Statement of profit and Loss as per Note 10 A	2,01,67,039	2,08,64,945
Amortisation for the year on intangible assets as per Note 10 B	85	1,788
Total	2,01,67,124	2,08,66,733

Notes forming part of the financial statements

Particulars

Note 29 Additional information to the financial statements

Contingent liabilities

29.1 Contingent Liabilities and Commitments (To the extent not provided for)

Claims against the Company not acknowledged as debt :

	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
(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)	3,61,08,377	3,15,52,936
* Includes ₹ 1,41,97,321 (previous year ₹ 1,41,97,321) for which bank guarantee has been given and shown under Note 29.1 (i) (c).		
(b) Others		
1. Labour matters (back wages and compensation under Workmen Compensation Act)	30,83,858	25,31,985
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)	2,99,48,061	3,71,72,503
3. Disputed Sales Tax demands for set off claimed on unmatched input credit	80,58,073	78,98,343
4. Service Tax (Dispute on mode of payment)	—	60,44,592
(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	75,63,537
**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. (Jointly Controlled Entity)		
(e) The wage agreement with employees at Kasarwadi Plant had expired on 30 November, 2008. Negotiations with employees are in progress. Pending finalisation of an agreement, the Company has made an accrual of ₹ 76,68,839/- (Previous year ₹ 84,86,994) based on its estimate of likely settlement with the employees. The Company does not expect any further significant additional liability on this account.		
Future outflows in respect of above matters are determinable only on receipt of judgement/decisions pending at various forums/ authorities.		

(ii) Commitments

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets - Property, Plant & Equipment (Net of Advances)

14,95,08,022

64,000



Notes forming part of the financial statements

29.2 Details on derivative instruments and unhedged foreign currency exposures

- There were no outstanding forward exchange contracts entered into by the Company during the financial year and outstanding as at 31 March, 2017 (Previous year ₹ Nil)
- The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

As at 31 March, 2017		As at 31 March, 2016	
Receivable/ (Payable) ₹	Receivable/ (Payable) in Foreign currency (USD)	Receivable/ (Payable) ₹	Receivable/ (Payable) in Foreign currency (USD)
8,84,05,126	13,83,020	7,16,66,835	11,00,161
(31,20,816)	(47,400)	(77,28,522)	(1,15,659)

29.3 Value of imports calculated on CIF basis :

Raw materials and packing materials	13,05,40,566	13,62,12,379
Capital goods	17,17,489	—
Machine spares	65,705	—

29.4 Expenditure in foreign currency:

Travelling	14,24,140	10,44,784
Commission	5,73,203	8,82,291
Professional fees	—	4,56,220
Seminar and Conference	—	2,89,731

29.5 Earnings in foreign exchange :

Export of goods calculated on FOB basis	53,35,96,224	42,29,75,239
-----------------------------------------	---------------------	--------------

29.6 Corporate Social Responsibility Expenditure

In terms of section 135 of the Companies Act, 2013, the Company was required to spend the gross amount of ₹ 22,13,265 (Previous year ₹ 14,71,250) during the year on corporate social responsibility activities.

During the year, the Company has charged to statement of profit and loss an amount of ₹ 22,15,000 (Previous year ₹ 5,00,000) on CSR activities.

29.7 Other income of Previous year 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.

Notes forming part of the financial statements

Note 30 Disclosures under Accounting Standards

30 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 ₹ 71,11,796 (Previous year ₹ 63,23,467) for Provident Fund contributions and ₹ 3,05,370 (Previous year ₹ 2,64,751) 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 payable as per the provision of Gratuity Act, 1972 with vesting period of 5 years of service.

The company also provided for protected Gratuity calculated based on additional 15 days of service for all employees upto 1st December, 2003.

Particulars	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
I) Change in Defined Benefit Obligations (DBO) During the year		
Present Value of Defined Benefit Obligation at the beginning of the year	4,58,64,856	4,63,58,604
Current Service cost	16,49,274	13,93,927
Interest Cost	29,29,917	29,17,019
Actuarial (gains) / losses	41,74,924	31,05,550
Benefits paid	(1,00,25,004)	(79,10,244)
Present value of Defined Benefit Obligation at the end of the year	4,27,50,816	4,58,64,856
II) Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :		
Fair value of Plan assets as at the beginning of the year	3,42,67,670	3,80,60,679
Expected return on plan assets	26,72,878	30,25,824
Actuarial gains/(losses)	(89,136)	(1,19,519)
Actual company contributions	42,38,947	12,10,930
Benefits paid	(1,00,25,004)	(79,10,244)
Plan assets at the end of the year	3,10,65,355	3,42,67,670
III) Analysis of Defined Benefit Obligation :		
Defined Benefit Obligation at the end of the year	4,27,50,816	4,58,64,856
Fair Value of Plan assets at the end of the year	3,10,65,355	3,42,67,670
Net Asset/(Liability) recognized in the Balance Sheet	(1,16,85,461)	(1,15,97,186)



Notes forming part of the financial statements

Note 30 Disclosures under Accounting Standards (Contd.)

Particulars	As at 31 March, 2017	As at 31 March, 2016
IV) Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognized in the Balance Sheet :		
Present value of Defined Benefit Obligation	4,27,50,816	4,58,64,856
Fair value of plan assets at the end of the year	3,10,65,355	3,42,67,670
Funded status [Surplus/(Deficit)]	(1,16,85,461)	(1,15,97,186)
Net Asset/(Liability) recognized in Balance Sheet	(1,16,85,461)	(1,15,97,186)
V) Components of employer expenses recognized in the statement of profit and loss		
Current Service cost	16,49,274	13,93,927
Interest cost	29,29,917	29,17,019
Expected return on plan assets	(26,72,878)	(30,25,824)
Past Service cost	-	-
Actuarial Losses/(Gains)	45,89,789	35,99,135
Total expense recognised in the Statement of Profit & Loss	64,96,102	48,84,257
VI) Principal Actuarial Assumptions		
Discount Rate (%)	6.82	7.95
Expected Return on plan assets (%)	6.82	7.95
Salary escalation (%)	7.00	8.00
Attrition	5.00	5.00
Mortality Table	Indian Assured Live Mortality (2006-08)	Indian Assured Live Mortality (2006-08)

	31 March, 2017 ₹	31 March, 2016 ₹	31 March, 2015 ₹	31 March, 2014 ₹	31 March, 2013 ₹
VII) Experience History :					
Experience adjustments on plan liabilities (Gain)/Loss	28,56,654	31,05,550	34,16,449	(5,01,982)	34,71,072
Experience adjustments on plan assets (Loss)/Gain	(89,316)	(1,19,519)	(1,94,220)	(84,835)	33,276
Present Value of Defined Benefit Obligation at the end of the year	4,27,50,816	4,58,64,856	4,63,58,604	4,62,10,422	4,59,47,023
Fair Value of Plan Assets at the end of the year	3,10,65,355	3,42,67,670	3,80,60,679	4,14,38,420	3,95,16,140
Funded Status (Excess of Obligation over Plan Assets)	(1,16,85,461)	(1,15,97,186)	(82,97,925)	(47,72,002)	(64,30,883)
VIII) Contributions expected to be paid to the plan during the next financial year	45,00,000	43,50,000	20,00,000	10,00,000	10,00,000

Notes forming part of the financial statements**Note 30 Disclosures under Accounting Standards (Contd.)**

- 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 Specialty 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.

Geographical Segment	Revenues for the year ended 31 March, 2017	Segment assets as at 31 March, 2017	Capital expenditure incurred during the year ended 31 March, 2017
	₹	₹	₹
Outside India	56,27,93,367	8,84,05,126	-
Previous Year	43,40,24,818	7,16,66,835	-
Within India	86,61,38,100	1,40,62,84,397	6,70,11,232
Previous Year	90,57,20,491	1,11,69,63,930	3,64,90,798

Note 32 Disclosures under Accounting Standards**32 Related party transactions****32.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)
(iii) Key Management Personnel (KMP)	(i) Mrs. S. F. Vakil - Chairperson and Managing Director (SFV) (ii) Ms. Meher Vakil - Chief Operating Officer - Daughter of Chairperson and Managing Director (MFV)
(iv) Relatives of KMP	i) Mr. D. M. Neterwala -Father of Chairperson and Managing Director (DMN - since deceased) ii) Mrs. P. R. Mehta -Sister of Chairperson and Managing Director (PRM)
(v) Entities in which KMP / Relatives of KMP can exercise significant influence	i) Indian Oxides & Chemicals Pvt. Limited (IOCL) ii) Rose Investments Limited (RIL), iii) SDN Company (SDNC), iv) Performance Polymer and Chemicals Pvt. Ltd. (PPCL), v) Anosh Finance & Investment Pvt. Ltd. (AFIPL), vi) General Pharmaceuticals Pvt. Ltd. (GPPL) vii) Netal India Limited (NIL)



- viii) Neterwala Consulting & Corporate Services Limited (NCCSL)
 ix) Chemicals and Ferro Alloys Pvt. Ltd (CFAPL)
 x) Uni Klinger Limited (UKL)
 (vi) Enterprizes over which director can exercise significant influence i) Maneckji & Shirinbai Neterwala Foundation (MSNF)

32.b Details of related party transactions during the year ended 31 March, 2017 and balances outstanding as at 31 March, 2017 :

Particulars	Subsidiaries (DGCIL)	JCE (NCD)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprises over which director can exercise significant influence	Total
	₹	₹	₹	₹	₹	₹	₹
Purchase of goods:		Nil					Nil
		(27,200)					(27,200)
IOCL					77,11,537		77,11,537
					(6,05,391)		(6,05,391)
GPPL					40,85,820		40,85,820
					(37,41,677)		(37,41,677)
UKL					82,280		82,280
					(2,26,570)		(2,26,570)
NIL					4,430		4,430
					Nil		Nil
Purchase of fixed assets :		2,75,000					2,75,000
		Nil					Nil
UKL					Nil		Nil
					(10,83,352)		(10,83,352)
Sale of goods:		8,38,05,644					8,38,05,644
		(11,64,66,411)					(11,64,66,411)
IOCL					Nil		Nil
					(58,271)		(58,271)
GPPL					42,08,292		42,08,292
					(39,54,476)		(39,54,476)
Sale of service: (Job Work)							
IOCL					69,42,261		69,42,261
					(44,11,843)		(44,11,843)
Rendering of services/ Reimbursement of expenses:		11,18,180					11,18,180
		(11,39,740)					(11,39,740)
SDNC					2,31,832		2,31,832
					(4,92,840)		(4,92,840)
IOCL					Nil		Nil
					(3,23,250)		(3,23,250)

Notes forming part of the financial statements

Particulars	Subsidiaries (DGCIL)	JCE (NCD)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprises over which director can exercise significant influence	Total
	₹	₹	₹	₹	₹	₹	₹
Receiving of services/ Reimbursement of expenses:							
SFV		1,06,650					1,06,650
		(2,39,496)					(2,39,496)
NCCSL					56,267		56,267
					(10,000)		(10,000)
AFIPL					3,611		3,611
					Nil		Nil
NIL					23,000		23,000
					(22,800)		(22,800)
MFV			Nil				Nil
		(4,54,762)					(4,54,762)
Compensation/ others:							
SFV		27,15,203					27,15,203
		(26,84,752)					(26,84,752)
Remuneration:							
SFV		1,49,50,660					1,49,50,660
		(1,07,85,908)					(1,07,85,908)
MFV		68,80,391					68,80,391
		(21,78,602)					(21,78,602)
CSR							
MSNF						12,75,000	12,75,000
						(5,00,000)	(5,00,000)
Dividend received:		6,18,75,000					6,18,75,000
		(5,06,25,000)					(5,06,25,000)
Dividend paid:							
SFV			Nil				Nil
		(1,50,30,465)					(1,50,30,465)
DMN				Nil			Nil
				(4,16,251)			(4,16,251)
FAV				Nil			Nil
				(4,23,050)			(4,23,050)
PRM				Nil			Nil
				(42,18,750)			(42,18,750)
RIL					Nil		Nil
					(14,45,400)		(14,45,400)
GPPL					Nil		Nil
					(3,212)		(3,212)
CFAPL					Nil		Nil
					(6,42,500)		(6,42,500)



Notes forming part of the financial statements

Particulars	Subsidiaries (DGCIL)	JCE (NCD)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprises over which director can exercise significant influence	Total
	₹	₹	₹	₹	₹	₹	₹
Consultancy Fees:							
MFV			Nil				Nil
			(3,28,520)				(3,28,520)
Balances outstanding at the end of the year:							
Investments	2,00,000	67,50,000					69,50,000
	(2,00,000)	(67,50,000)					(69,50,000)
Trade receivables:		40,31,816					40,31,816
		(1,68,79,602)					(1,68,79,602)
IOCL					21,56,399		21,56,399
					(3,93,761)		(3,93,761)
GPPL					Nil		Nil
					(11,50,146)		(11,50,146)
CFAPL					25,200		25,200
					Nil		Nil
Deposits for office :							
SFV		32,00,000					32,00,000
		(32,00,000)					(32,00,000)
Trade payable :							
UKL					Nil		Nil
					(1,71,682)		(1,71,682)
NIL					Nil		Nil
					(22,344)		(22,344)
GPPL					3,98,030		3,98,030
					Nil		Nil

Note : Figures in brackets relate to the previous year.

Note 33 Disclosures under Accounting Standards

Note	Particulars	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
33.1	Details of leasing arrangements		
	<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	—	28,37,285
	Accumulated depreciation on the leased assets	—	1,61,31,628
33.1.b	<u>As Lessee</u>		
33.1.b.(i)	The Company had entered into operating lease arrangements for two facilities. One of lease was non-cancellable for the period from 15 November, 2015 to 14 November, 2016. The lease agreements provide for an increase in the lease payments by 5% after first 12 months.		

Notes forming part of the financial statements

	Future Minimum lease payment		
	Not later than one year	—	24,37,500
	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	73,29,078	44,14,752

Note	Particulars	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
33.2	Earnings per share		
	<u>Basic & Diluted</u>		
	Profit for the year (₹)	17,84,33,325	15,58,23,769
	Weighted average number of equity shares	74,51,229	74,51,229
	Par value per share (₹)	10	10
	Earnings per share - Basic and Diluted (₹)	23.95	20.91

Note 34 Proposed Dividend

The Board of Directors of Company at their meeting held on 5 May 2017 proposed a dividend of ₹ 3 per share aggregating to ₹ 2,23,53,687. The said dividend is subject to approval at the ensuing Annual General Meeting (AGM) of the Members of the Company. Pursuant to change in Accounting Standard 'AS' - 4 "Contingencies and Events Occurring After the Balance Sheet Date", notified vide MCA notification G.S.R. 364(E) dated 30 March 2016, as the said proposed dividend is subject to approval of the Members at the ensuing AGM of the Company, there was no obligation as at the Balance Sheet date, and accordingly, the said proposed dividend is not required to be accounted for in these financial statements.

Note 35 Disclosures in respect of Specified Bank Notes (SBN)

During the year, the company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31 March, 2017. The detail of specified Bank notes (SBN) held and transacted during the period from 8th November, 2016 to 30 December, 2016, and other notes as per the said notification is stated below:

in ₹

Particulars	SBNs *	Other Denomination Notes	Total
Closing cash in hand as on 8 November, 2016	80,000	14,277	94,277
(+) Permitted receipts	—	—	—
(+) Advances given to employees returned back**	27,000	—	27,000
(+) Withdrawal from Bank Account	—	5,71,000	5,71,000
(+) Other receipts - scrap sales	—	11,349	11,349
(-) Permitted payments	—	—	—
(-) Reimbursement of expense to employees	—	5,51,029	5,51,029
(-) Amount deposited in Banks	1,07,000	1,567	1,08,567
Closing cash in hand as on 30 December, 2016	—	44,030	44,030

* For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407 E, dated the 8 November, 2016

** These are advances given to employees prior to 8th November, 2016 returned back to the company in SBN's after notification of Government of India dt. 8th November, 2016.



Notes forming part of the financial statements

Note 36 Pursuant to approval by the members of the Company at the AGM held dated 4 August, 2016, the Company had applied to Ministry of Corporate Affairs (MCA) for payment of remuneration to Managing Director. The MCA approved amount of ₹ 1,30,26,000 vide approval dated 10 January, 2017 for the year ended 31 March, 2017. However, in the interim, the MCA vide government notification dated 12 September, 2016 increased the limits of remuneration payable to managerial personnel in terms of amendment to schedule V to the Companies Act, 2013. Accordingly, the Company has intimated MCA that the managerial remuneration will be paid as per the amended schedule V. Accordingly, salary and wages includes amount of ₹ 1,49,50,660 for managerial remuneration paid which is in line with the amendments to the Companies Act, 2013 and the resolution as approved by the members of the Company.

Note 37 During the year, the Company has started construction of its new facility at Dahej with an estimated project cost of ₹ 1,68,00,00,000. The total capital expenditure incurred in this respect of said project aggregated to ₹ 40,66,20,066 as at 31 March, 2017. The said project is financed by way of borrowings and through internal accruals. As at the year end, the Company has tied up for aggregate borrowings of ₹ 50,00,00,000 of which an amount of ₹ 3,00,00,000 has been drawn down as at 31 March, 2017. Subsequent to the year end, the company has further obtained borrowing facility of ₹ 42,00,00,000. The progress of the project is in line with management's plans.

Note 38 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, 2017					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
		₹	₹	₹	₹	₹	₹
Nalco Champion Dai-ichi India Pvt. Ltd.-India (Formerly known as Champion Dai-ichi Technologies India Limited)	50	26,43,59,069	26,43,59,069	53,79,84,676	47,42,35,757	7,50,81,768	3,52,443
Previous year	50	42,17,81,484	42,17,81,484	82,55,37,658	65,10,04,917	4,83,00,000	7,99,481

Note 39 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

For and on behalf of the Board of Directors

S. F. Vakil
Chairperson & Managing Director
(DIN: 00002519)

Adi Jehangir
Director
(DIN: 00001752)

Anil Naik
Director
(DIN: 00002670)

Kavas Patel
Director
(DIN: 00002634)

Keki Elavia
Director
(DIN: 00003940)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 5 May, 2017

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") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and jointly controlled entity, comprising of the Consolidated Balance Sheet as at 31 March, 2017, 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. The respective Board of Directors of the companies included in the Group and of its jointly controlled company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled company 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. In conducting 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.

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 other auditor 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 consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of the subsidiary referred to in the Other Matters paragraph below, 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, 2017, 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 of one subsidiary, whose financial statements reflect total assets of ₹ 246,372 as at 31 March, 2017, total revenues of ₹ 13,166 and net cash (outflows) amounting to ₹ 1,070 for the year ended on that date, as considered in the consolidated financial statements. This financial statement 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 and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports 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 reports of the other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and other auditor on separate financial statements and the other financial information of subsidiary, referred in the Other Matters paragraph above 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, returns and the reports 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.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies and jointly controlled company incorporated in India is disqualified as on 31 March, 2017 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 separate 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled company – Refer note 29.1 (i) (a) to the standalone financial statements.
 - ii. The Group and jointly controlled company 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.

- iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November, 2016 of the Ministry of Finance, during the period from 8 November, 2016 to 30 December, 2016 of the Group entities and jointly controlled company, as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us and other auditor by the Management of the respective Group entities.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

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

K. A. Katki

Partner

(Membership No. 038568)

Place : Mumbai

Date : 5 May, 2017



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section 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, 2017, we have audited the internal financial controls over financial reporting of Dai-ichi Karkaria Limited (hereinafter referred to as “the Holding Company”) and its subsidiary company, which includes internal financial controls over financial reporting of 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 respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 internal financial controls over financial reporting of the Holding Company, its subsidiary company and its jointly controlled company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 other auditor of the subsidiary company and jointly 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 internal financial controls system over financial reporting of the Holding Company, its subsidiary company and its jointly controlled company, which are companies incorporated in India.

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 based on the consideration of other auditor referred to in the Other Matters 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, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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 company incorporated in India, is based solely on the corresponding reports of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

For DELOITTE HASKINS & SELLS LLP

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

K. A. Katki

Partner
(Membership No. 038568)

Place : Mumbai

Date : 5 May, 2017



Consolidated Balance Sheet as at 31 March, 2017

Particulars	Note	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	7,45,12,290	7,45,12,290
(b) Reserves and surplus	4	<u>1,33,53,71,601</u>	<u>1,18,98,45,891</u>
		1,40,98,83,891	1,26,43,58,181
2 Minority interest		7,187	7,153
3 Non-current liabilities			
(a) Long-term borrowings	5	3,61,91,641	96,15,787
(b) Long-term provisions	6	<u>1,89,46,256</u>	<u>1,37,63,781</u>
		5,51,37,897	2,33,79,568
4 Current liabilities			
(a) Short- Term Borrowings	7	26,23,498	—
(b) Trade payables	8		
i) Total outstanding dues of Micro Enterprises and Small Enterprises		—	—
ii) Total outstanding dues of creditors other than Micro enterprises and Small enterprises		18,79,07,666	25,63,96,623
(c) Other current liabilities	9	7,97,46,727	2,58,24,473
(d) Short-term provisions	10	<u>1,24,73,837</u>	<u>2,23,33,280</u>
		28,27,51,728	30,45,54,376
TOTAL		<u>1,74,77,80,703</u>	<u>1,59,22,99,278</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible Assets - Property, Plant & Equipment		22,40,96,345	17,44,79,827
(ii) Intangible assets		46,337	46,422
(iii) Capital work-in-progress		32,33,63,251	13,86,89,673
(iv) Intangible assets under development		<u>18,14,642</u>	<u>12,79,984</u>
		54,93,20,575	31,44,95,906
(b) Non-current investments	12	3,50,75,982	1,78,45,038
(c) Deferred tax assets (net)	13	1,89,28,765	1,70,21,750
(d) Long-term loans and advances	14	<u>17,44,23,828</u>	<u>18,60,74,493</u>
		22,84,28,575	22,09,41,281
		77,77,49,150	53,54,37,187
2 Current assets			
(a) Current investments	15	29,70,43,574	38,23,53,654
(b) Inventories	16	20,29,40,546	15,94,93,394
(c) Trade receivables	17	24,74,86,639	36,96,88,740
(d) Cash and cash equivalents	18	12,80,28,764	9,57,57,970
(e) Short-term loans and advances	19	8,55,71,859	4,63,70,140
(f) Other current assets	20	<u>89,60,171</u>	<u>31,98,193</u>
		97,00,31,553	1,05,68,62,091
TOTAL		<u>1,74,77,80,703</u>	<u>1,59,22,99,278</u>

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

S. F. Vakil
Chairperson & Managing Director
(DIN: 00002519)

Adi Jehangir
Director
(DIN: 00001752)

Anil Naik
Director
(DIN: 00002670)

K. A. Katki
Partner
Place : Mumbai
Date : 5 May, 2017

Kavas Patel
Director
(DIN: 00002634)

Keki Elavia
Director
(DIN: 00003940)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31 March, 2017

Particulars	Note No.	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
1 Revenue from operations (gross)	21	1,84,51,13,550	2,02,91,03,089
Less: Excise duty		8,64,19,072	9,08,50,338
Revenue from operations (net)		1,75,86,94,478	1,93,82,52,751
2 Other income	22	3,21,42,819	4,24,41,354
3 Total revenue (1+2)		1,79,08,37,297	1,98,06,94,105
4 Expenses			
(a) Cost of materials consumed	23	1,04,28,71,842	1,12,70,28,598
(b) Purchases of stock-in-trade (traded goods)	23A	1,06,91,641	74,67,947
(c) Changes in inventories of finished goods, work-in-progress	24	(1,71,89,147)	63,49,391
(d) Employee benefits expenses	25	18,15,30,489	17,26,32,800
(e) Finance costs	26	14,21,675	48,91,360
(f) Depreciation and amortisation expenses	29A	2,25,15,110	2,31,35,140
(g) Other expenses	27	30,76,89,396	30,39,89,022
Total Expenses		1,54,95,31,006	1,64,54,94,258
5 Profit before Tax (3-4)		24,13,06,291	33,51,99,847
6 Tax expense/(benefit) :			
(a) Current Tax	28	8,48,00,000	11,92,00,230
(b) Taxation Adjustments of earlier years	28	2,91,269	-
(c) Deferred Tax credit (net)	28	(19,07,015)	(26,30,275)
Net tax expense		8,31,84,254	11,65,69,955
7 Profit after tax for the year before share of minority interest (5-6)		15,81,22,037	21,86,29,892
Minority Interest		(34)	(15)
8 Profit for the year		15,81,22,003	21,86,29,877
Earnings per Equity Share basic and diluted (of ₹ 10/- each)	33.2	21.22	29.34

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

S. F. Vakil
Chairperson & Managing Director
(DIN: 00002519)

Adi Jehangir
Director
(DIN: 00001752)

Anil Naik
Director
(DIN: 00002670)

K. A. Katki
Partner
Place : Mumbai
Date : 5 May, 2017

Kavas Patel
Director
(DIN: 00002634)

Keki Elavia
Director
(DIN: 00003940)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary



Consolidated Cash Flow Statement for the year ended 31 March, 2017

Particulars	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
A. Cash flow from operating activities		
Net Profit before tax	24,13,06,291	33,51,99,847
<u>Adjustments for:</u>		
Depreciation and amortisation expense	2,25,15,110	2,31,35,140
Provision for doubtful trade and other receivables	13,84,950	11,17,406
(Profit) / Loss on sale of Fixed Assets	48,842	(12,46,512)
Interest income	(68,67,521)	(57,13,308)
Dividend income	(68,69,209)	(81,93,175)
Compensation for deficiency in performance	2,42,699	37,93,756
Excess of cost or fair value of current MF investments	—	(16,399)
Bad trade and other receivables, loans & advances written off	—	12,11,441
Profit on sale of investments	(66,50,820)	(70,16,645)
Liabilities no longer required written back	(5,17,812)	(3,20,247)
Rent income	—	(1,21,52,790)
Net unrealised exchange difference during the year	(19,52,539)	(10,21,386)
Finance costs	57,31,172	48,91,360
Operating profit / (loss) before working capital changes	24,83,71,163	33,36,68,488
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(4,34,47,154)	53,42,487
Trade receivables	12,27,58,760	37,34,703
Short-term loans and advances	(3,92,01,588)	(1,45,64,435)
Long-term loans and advances	1,77,11,477	(5,49,65,142)
Other current assets	(76,35,189)	—
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(6,80,18,247)	(3,78,17,999)
Other current liabilities	5,47,55,756	(75,49,157)
Short-term provisions	(55,90,933)	64,27,391
Long-term provisions	51,82,475	(46,23,030)
	3,65,15,357	(10,40,15,182)
Cash generated from operations	28,48,86,520	22,96,53,306
Net income tax paid	(9,59,76,477)	(11,96,21,652)
Net cash flow from operating activities (A)	18,89,10,043	11,00,31,654
B. Cash flow from investing activities		
Additions to Tangible Assets - Property, Plant & Equipment	(7,43,37,634)	(3,60,42,694)
Additions to CWIP - Property, Plant & Equipment	(18,23,40,752)	(8,05,46,456)
Additions to Intangible assets under development	(5,34,658)	(17,64,053)
Sale proceeds of Fixed assets	—	24,446
Proceeds from Bank fixed deposits	1,00,00,000	—
Movement in earmarked accounts - unpaid dividend accounts*	(63,93,414)	(1,09,92,924)
Bank balances not considered as Cash and cash equivalents:		
- New deposits placed	(67,67,113)	(4,28,37,926)
- Proceeds of deposits	—	6,23,65,999
Current investments not considered as Cash and cash equivalents:		
- Purchased	(9,13,60,527)	(1,68,407)
- Proceeds from sale	16,62,28,092	45,64,500

Consolidated Cash Flow Statement for the year ended 31 March, 2017

Particulars	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
Compensation received for Kasarwadi Land	—	12,32,306
Interest received	87,40,602	40,04,808
Dividend received	68,69,209	81,93,176
Rent income	—	1,21,52,790
Net cash flow used in investing activities (B)	(16,98,96,195)	(7,98,14,435)
* Note- These earmarked balances with bank can be utilized only for specific identified purposes		
C. Cash flow from financing activities		
Repayment of sales tax deferral	(21,73,501)	(20,07,558)
Long term borrowing - Term loan for Dahej Project	3,00,00,000	—
Short term Balances	26,23,498	—
Receipt of Term loan	—	61,13,688
Repayment of Term Loan	(15,74,158)	(16,44,933)
Repayment of unclaimed deposits	—	(20,000)
Finance costs	(57,31,172)	(48,91,360)
Dividend paid	(1,31,06,283)	(5,03,88,685)
Tax on dividend	—	(83,42,899)
Net cash flow from financing activities (C)	1,00,38,384	(6,11,81,746)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	2,90,52,232	(3,09,64,527)
Cash and cash equivalent at the beginning of the year	4,20,73,307	7,26,14,026
Unrealised (loss) / gain on foreign currency cash and cash equivalents	58,035	4,23,808
Cash and cash equivalent at the end of the year	7,11,83,574	4,20,73,307
Net increase / (decrease) in cash or cash equivalents	2,90,52,232	(3,09,64,527)
Cash and Cash equivalents at the end of the year comprise	As at 31 March, 2017	As at 31 March, 2016
a) Cash on hand	39,678	46,523
b) Balances with banks		
(i) in current accounts	2,10,71,926	4,18,51,784
(ii) in other deposit accounts having maturity of less than 3 months	5,00,71,970	1,75,000
Total Cash and bank balances (Refer Note 18)	7,11,83,574	4,20,73,307
The accompanying notes are an integral part of the financial statements		

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

S. F. Vakil
Chairperson & Managing Director
(DIN: 00002519)**Adi Jehangir**
Director
(DIN: 00001752)**Anil Naik**
Director
(DIN: 00002670)**K. A. Katki**
Partner
Place : Mumbai
Date : 5 May, 2017**Kavas Patel**
Director
(DIN: 00002634)**Keki Elavia**
Director
(DIN: 00003940)**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" / "the holding Company") was incorporated on 13 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. (NCD). The Company and NCD 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 Champion Dai-ichi Private Limited, at Jejuri, Pune.

2 Basis of Consolidation and significant accounting policies

2.1 Basis of accounting and preparation of Consolidated financial statements

The Consolidated financial statements of the Company and its subsidiary (together the "Group") and jointly controlled entity are prepared in accordance with the generally accepted accounting principles (GAAP) and applicable Accounting Standards prescribed 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 categories of fixed assets of the Company at Kasarwadi Plant as on 1 April, 1993, that are carried at revalued amounts. The accounting policies adopted in 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 NCD, 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, 2017.
- (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) Following subsidiary company and a jointly controlled entity have been considered in the preparation of the Consolidated financial statements:

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, 2017	31 March, 2016
Dai-ichi Gosei Chemicals (India) Limited	Subsidiary	India	DIKL	97%	97%
Nalco Champion Dai-ichi India Pvt Ltd.	JCE	India	Co-ventures	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

Depreciable amount of assets is the cost of asset, or other amount substituted for cost, less its estimated value

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 pursuant to the enactment of 2013 Act, been depreciated in full without any such adjustment out of revaluation reserve.

Leasehold land is amortised over the duration of the lease which is over a period of 99 years.

Intangible assets are amortised over their estimated useful life on written down value method which is over a period of 6 years.

2.8 Revenue recognitionSale 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 Assets - Property, Plant and Equipment

Tangible Assets - Property, Plant & Equipment, except Free Hold Land and certain assets of the company located at Kasarwadi plant, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Tangible Assets - Property, Plant & Equipment 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 Tangible Assets - Property, Plant & Equipment 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 Tangible Assets - Property, Plant & Equipment 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 Tangible Assets - Property, Plant & Equipment 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.

Tangible Assets - Property, Plant & Equipment 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 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.

Intangible Assets

Intangible Assets are carried at cost less accumulated amortization and impairment losses. The cost of Intangible Assets comprises of its purchase price and any other directly attributable expenditure on making the asset ready for its intended use and net of trade discounts and rebates.

Capital work-in-progress:

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

Intangible assets under development:

Expenditure on software development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

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 are 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.

2.13 Investments

Long-term investments 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 determined based on Percentage Unit Credit Method with actuarial valuation 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.

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

The accounts of the Group reflect its share of the Assets, Liabilities, Income and Expenditure of the Jointly controlled operations which are accounted on the basis of the audited accounts of the Joint ventures on line-by-line basis with similar items in the Group's accounts to the extent of the participating interest of the Group as per the Joint Venture Agreements.

2.20 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

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.

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 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 Financial Statements

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	₹	Number of shares	₹
Note 3 : Share Capital				
(A) Authorised				
Equity shares of ₹ 10/- each with voting rights	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
(B) Issued, Subscribed and fully paid				
Equity shares of ₹ 10/- each with voting rights	74,51,229	7,45,12,290	74,51,229	7,45,12,290
Total	74,51,229	7,45,12,290	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, 2017		As at 31 March, 2016	
	Number of shares	₹	Number of shares	₹
Equity shares				
Opening balance	74,51,229	7,45,12,290	74,51,229	7,45,12,290
Add / (Less) : Equity shares issued / bought back during the year	—	—	—	—
Closing balance	74,51,229	7,45,12,290	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, 2017		As at 31 March, 2016	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
Mrs. S. F. Vakil	37,67,963	50.57	37,67,963	50.57

(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 Financial Statements

Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
Note 4 : Reserves and Surplus		
(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	59,58,02,701	46,71,95,042
Add: Profit for the year	11,80,81,960	10,49,54,711
Less : Interim Dividend to equity shareholders ₹ Nil per share (Previous Year ₹ 3.00 per share)	—	2,23,53,687
Less : Tax on Dividend	—	45,50,670
Add : Dividend Received from Joint Venture	6,18,75,000	5,06,25,000
Less: Tax on dividend pertaining to earlier years	—	67,695
Balance as at the end of the year	77,57,59,661	59,58,02,701
(h) Share of Joint Venture (Refer Note 39)		
Balance as at the beginning of the year	22,60,33,628	17,32,89,522
Add: Profit for the year	4,00,40,043	11,36,75,166
Less : Dividend paid	6,18,75,000	5,06,25,000
Less : Dividend Distribution Tax Paid	1,25,96,293	1,01,22,064
Less : Tax on dividend pertaining to earlier year	—	1,83,996
Balance as at the end of the year	19,16,02,378	22,60,33,628
Total	1,33,53,71,601	1,18,98,45,891

Notes forming part of the Financial Statements Notes forming part of the Financial Statements

Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
Note 5 : Long-term borrowings		
(a) Term loans from banks - Secured (Refer Note (i) below)	3,00,00,000	—
(b) Term loans from others - Secured (Refer Note (ii) below)	28,88,910	43,67,481
(c) Deferred sales tax liability - Unsecured (Refer Note (iii) below)	33,02,731	52,14,524
	3,61,91,641	95,82,005
Share of Joint Venture - Refer Note 39	—	33,782
Total	3,61,91,641	96,15,787

Note (i) The term loans from Axis Bank is secured by

- First pari-passu charge by way of hypothecation/mortgage of entire movable and immovable Fixed assets of the Company, both present and future at Dahej;
- Second pari-passu charge by way of hypothecation charge on entire current assets of the Company, including stock and book debts, both present and future;
- First pari-passu charge on entire movable and non movable Fixed Assets of the Company, both present and future at Kasarwadi and Kurkumbh.
- For other sanctioned but unutilized facilities as at 31 March, 2017 Refer Note 37

Terms of Loan - Axis Bank

Name of lender	Principal Loan amount	Rate of Interest
	₹	%
Axis Bank	50,00,00,000	9.30

Interest is paid on a monthly basis at the rate of 9.30% per annum.

The principle amount of loan shall be repaid in 54 Monthly Installments from September, 2018 i.e. after Moratorium of two years as under:

Particulars	Total Nos. of Installments	Outstanding Nos. of Installments	Monthly Installments	Total Principal Amount
Financial Year 2018-19	6	6	75,00,000	4,50,00,000
Financial Year 2019-20	12	12	85,00,000	10,20,00,000
Financial Year 2020-21	12	12	95,00,000	11,40,00,000
Financial Year 2021-22	12	12	95,00,000	11,40,00,000
Financial Year 2022-23	11	11	1,00,00,000	11,00,00,000
Financial Year 2022-23	1	1	1,50,00,000	1,50,00,000
Total	54	54		50,00,00,000



Notes forming part of the Financial Statements

Note (ii)

The term loans are secured by hypothecation of the vehicles purchased under the loans.

Terms of Loan - Others

Name of lender	Original Loan Amount	Rate of Interest	EMI Amount	Total Nos. of EMI	Outstanding EMI
	₹	%	₹	Nos.	Nos.
HDFC Bank Ltd	4,61,000	12.50%	10,268	60	5
Kotak Mahindra Prime Ltd.	13,00,000	9.50%	32,656	48	44
Daimler Financial Services Pvt. Ltd.	48,13,688	9.25%	1,19,476	48	42

Note (iii)

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:

Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
Financial Year 2016-17	—	21,73,502
Financial Year 2017-18	19,11,793	19,11,793
Financial Year 2018-19	15,01,600	15,01,600
Financial Year 2019-20	9,92,361	9,92,361
Financial Year 2020-21	5,85,818	5,85,818
Financial Year 2021-22	2,22,952	2,22,947
Total	52,14,524	73,88,021

Note (iv) The group has not defaulted on repayment of interest and loans as at the Balance Sheet date.

For the current maturities of long term borrowings, Refer item (a) of Note - 9 Other current liabilities

Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
Note 6 : Long-term provisions		
Provision for employee benefits		
(i) Provision for gratuity (Refer Note 30)	52,19,331	25,41,027
(ii) Provision for compensated absences	1,20,61,767	1,06,54,766
	1,72,81,098	1,31,95,793
Share of Joint Venture - Refer Note 39	16,65,158	5,67,988
Total	1,89,46,256	1,37,63,781

Notes forming part of the Financial Statements

Note 7 : Short Term Borrowings

Share of Joint Venture - Refer Note 39
Secured: From Bank: Cash Credit

	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
	26,23,498	—
Total	26,23,498	—

Note 8: Trade payables

Trade payables:

	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
i) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note (i) below)	—	—
ii) Total outstanding dues of creditors other than Micro enterprises and Small enterprises [including acceptances of ₹ Nil (As at March 31, 2016 ₹ Nil)]	14,42,34,012	10,18,14,216
	14,42,34,012	10,18,14,216
Share of Joint Venture - Refer Note 39	4,36,73,654	15,45,82,407
Total	18,79,07,666	25,63,96,623

Note (i):

	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
(i) Principal Amount remaining unpaid to any supplier as at the end of the accounting year	—	—
(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 period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	—	—
(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	—	—
Total	—	—

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, 2017 ₹	As at 31 March, 2016 ₹
Note 9 : Other current liabilities		
(a) Current maturities of long term borrowings (Refer Note 5)		
(i) Term loans from banks & others - Secured	14,78,571	14,15,843
(ii) Deferred sales tax liability - Unsecured	19,11,793	21,73,501
(b) Interest accrued but not due on Term loan	2,36,959	—
(c) Unpaid dividends	21,12,792	26,22,781
(d) Security Deposits	2,05,000	2,05,000
(e) Other payables :		
(i) Statutory remittances (TDS, Provident fund, Excise duty & Service Tax)	28,35,870	71,84,502
(ii) Payables on purchase of Fixed assets	6,24,68,955	11,26,797
(iii) Advance from customers	7,66,455	12,05,097
(iv) Other liabilities (Commission, bonus, etc.)	57,83,520	54,11,616
	7,77,99,915	2,13,45,137
Share of Joint Venture - Refer Note 39	19,46,812	44,79,336
Total	7,97,46,727	2,58,24,473

Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
Note 10: Short-term provisions		
Provision for employee benefits:		
(i) Provision for Gratuity (Refer Note 30)	64,66,130	90,56,159
(ii) Provision for Compensated Absences	46,90,701	40,44,754
	1,11,56,831	1,31,00,913
Share of Joint Venture - Refer Note 39	13,17,006	92,32,367
Total	1,24,73,837	2,23,33,280

Notes forming part of the Financial Statements
Note 11: Fixed assets

Particulars	Gross block				Accumulated Depreciation and Amortisation		Net Block	
	As at 1 April, 2016	Additions	Deductions	As at 31 March, 2017	As at 1 April, 2016	For the year	As at 31 March, 2017	As at 31 March, 2017
(₹)								
A. Tangible Assets-Property, Plant & Equipment								
(a) Leasehold Land - Kurkumbh & Dahaj (Refer Note 1)	18,58,391	5,13,22,213	—	5,31,80,604	3,53,916	23,53,473	27,07,389	5,04,73,215
Previous year	18,58,391	—	—	18,58,391	3,33,267	20,649	3,53,916	15,04,475
(b) Freehold Land	5,04,50,988	—	—	5,04,50,988	—	—	—	5,04,50,988
Previous year	5,04,50,988	—	—	5,04,50,988	—	—	—	5,04,50,988
(c) Buildings Residential	1,65,16,917	—	—	1,65,16,917	1,19,59,848	9,80,576	1,29,40,424	35,76,493
Previous year	1,65,16,917	—	—	1,65,16,917	1,07,10,244	12,49,604	1,19,59,848	45,57,069
(d) Buildings: Non Residential	6,45,86,039	—	—	6,45,86,039	5,72,11,778	10,06,173	5,82,17,951	63,68,088
Factory building	6,45,86,039	—	—	6,45,86,039	5,59,38,420	12,73,358	5,72,11,778	73,74,261
Previous year	6,45,86,039	—	—	6,45,86,039	5,59,38,420	12,73,358	5,72,11,778	73,74,261
Office Premises	2,90,84,465	—	—	2,90,84,465	1,61,31,628	23,27,461	1,84,59,089	1,06,25,376
Previous year	2,90,84,465	—	—	2,90,84,465	1,32,94,343	28,37,285	1,61,31,628	1,29,52,837
(e) Plant & Equipments	34,67,32,617	90,41,062	—	35,57,73,679	28,17,51,578	1,09,60,618	29,27,12,196	6,30,61,483
Previous year	31,74,13,213	2,93,19,404	—	34,67,32,617	27,09,08,169	1,08,43,409	28,17,51,578	6,49,81,039
(f) Furniture & Fixtures	2,02,85,464	13,51,477	—	2,16,36,941	1,87,77,154	4,41,163	1,92,18,317	24,18,624
Previous year	2,02,13,992	71,472	—	2,02,85,464	1,73,36,552	14,40,602	1,87,77,154	15,08,310
(g) Office Equipment including Laboratory, Factory Equipment, Air Conditioners etc	3,06,19,353	50,21,480	—	3,56,40,833	2,71,78,859	21,93,380	2,93,72,239	62,68,594
Previous year	2,94,66,369	11,52,984	—	3,06,19,353	2,59,17,250	12,61,609	2,71,78,859	34,40,494
(h) Vehicles	1,79,29,960	2,75,000	—	1,82,04,960	1,12,82,799	20,75,053	1,33,57,852	48,47,108
Previous year	1,20,61,581	58,68,379	—	1,79,29,960	96,89,753	15,93,046	1,12,82,799	66,47,161
Scientific Research Capital Expenditure :								
(a) Buildings - Non Residential	14,20,149	—	—	14,20,149	13,66,738	3,031	13,69,769	50,380
Previous year	14,20,149	—	—	14,20,149	13,63,886	2,852	13,66,738	53,411
(b) Plant & Equipments	79,88,223	—	—	79,88,223	72,82,913	1,05,336	73,88,249	5,99,974
Previous year	79,88,223	—	—	79,88,223	70,32,511	2,50,402	72,82,913	7,05,310
(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	—	6,02,169	29,344
(d) Office Equipment including Laboratory, Factory Equipment, Air Conditioners etc	1,60,47,378	—	—	1,60,47,378	1,51,06,485	53,599	1,51,60,084	8,87,294
Previous year	1,59,68,813	78,565	—	1,60,47,378	1,50,14,356	92,129	1,51,06,485	9,40,893
Total	60,41,51,457	6,70,11,232	—	67,11,62,689	44,90,05,865	2,24,99,863	47,15,05,728	19,96,56,961
Previous year	56,76,60,653	3,64,90,804	—	60,41,51,457	42,81,40,920	2,08,64,945	44,90,05,865	15,51,45,592
Add: Share of Joint Venture -Note no 39	3,71,60,854	76,39,687	3,20,200	4,44,80,341	1,78,26,619	23,47,986	2,00,40,957	2,44,39,384
Previous year	3,63,56,219	10,09,442	2,04,808	3,71,60,853	1,57,52,779	22,68,407	1,78,26,618	1,93,34,235
Total Tangible Assets	64,13,12,311	7,46,50,919	3,20,200	71,56,43,030	46,68,32,484	2,48,47,849	49,15,46,685	22,40,96,345
Previous year	60,49,16,872	3,75,00,246	2,04,808	64,13,12,311	44,38,93,699	2,31,33,352	46,68,32,483	17,44,79,827
B. Intangible Assets (Acquired)								
Computer Software	9,26,620	—	—	9,26,620	8,80,198	85	8,80,283	46,337
Previous year	9,26,620	—	—	9,26,620	8,78,410	1,788	8,80,198	46,422
Add: Share of Joint Venture -Note no 39	—	—	—	—	—	—	—	—
Previous year	—	—	—	—	—	—	—	—
Total Intangible Assets	9,26,620	—	—	9,26,620	8,80,198	85	8,80,283	46,337
Previous year	9,26,620	—	—	9,26,620	8,78,410	1,788	8,80,198	46,422
Total (A+B)	64,22,38,931	7,46,50,919	3,20,200	71,65,69,650	46,77,12,682	2,48,47,934	49,24,26,968	22,41,42,682
Previous year	60,49,43,492	3,75,00,246	2,04,808	64,22,38,930	44,47,72,109	2,31,35,140	46,77,12,681	17,45,26,249
C. Capital Work-in-Progress - Property, Plant & Equipment								
[(Refer Note 2 (a))]								
Previous year								
Add: Share of Joint Venture - Note No 39								
Previous year								
Total - Capital Work-in-Progress - Property, Plant & Equipment								
Previous year								
D. Intangible Assets under development - Computer Software								
[(Refer Note 2 (b))]								
Previous year								
Add: Share of Joint Venture - Note No 39								
Previous year								
Total - Intangible Assets under development								
Previous year								



Notes forming part of the Financial Statements

Note 1: The total depreciation on Tangible Assets - Property, Plant & Equipment for the year is of ₹ 2,48,47,849 (Previous year ₹ 2,31,33,352). Of the above, depreciation on Tangible Assets - Property, Plant & Equipment of the Holding Company for the year amounted to ₹ 2,24,99,863 (Previous year ₹ 2,08,64,945) of which depreciation on leasehold land of ₹ 23,32,824 (Previous year ₹ Nil) being depreciation for Dahej project is transferred to Capital work-in-progress - Property, Plant & Equipment and the balance of ₹ 2,01,67,124 along with an amount of ₹ 23,47,986 being share in jointly controlled entity aggregating to ₹ 2,55,15,110 has been charged off to the Statement of Profit and Loss (Refer Note 29A).

Note 2:

a) Details of Capital work in progress pending capitalisation for Tangible assets - Property Plant and Equipment is as under

Particulars	Opening Balance as at 31 March, 2016	Addition to Capital work in progress	Transfer to Tangible assets	Closing balance as at 31 March, 2017
Capital Expenditure for Kasarwadi Location	61,10,033	—	61,10,033	—
Expenditure incurred for Dahej Project:				
Land at Dahej Location	5,13,22,213	—	5,13,22,213	—
Depreciation on leasehold land	—	23,32,824	—	23,32,824
Plant and Equipment	—	6,42,08,082	—	6,42,08,082
Electrical Installation	—	54,15,526	—	54,15,526
Civil Work	7,14,69,568	11,74,53,472	—	18,89,23,040
Professional Fees	84,74,405	3,82,33,946	—	4,67,08,351
Borrowing cost	—	43,09,497	—	43,09,497
Other Expenditure	8,29,395	98,32,150	—	1,06,61,545
Total	13,82,05,614	24,17,85,497	5,74,32,246	32,25,58,865
Add: Share of Joint Venture - Note No 39	4,84,059			8,04,386
Total - Capital Work-in-Progress	13,86,89,673			32,33,63,251

b) Details of Intangible assets under development pending capitalisation is as under:

Particulars	Opening Balance as at March 31, 2016	Addition to Capital work in progress	Transfer to Intangible assets	Closing balance as at March 31, 2017
Intangible Assets at Kasarwadi - Software Computer	12,79,984	5,34,658	—	18,14,642
Total	12,79,984	5,34,658	—	18,14,642
Add: Share of Joint Venture - Note No 39	—			—
Total - Intangible Assets under development	12,79,984			18,14,642

Note 3:

During the current year, the Company has reassessed the useful lives of assets, which is in line with such assessment in the previous year.

Notes forming part of the Consolidated Financial Statements

Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
Note 12 : Non-current investments		
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
Total (A)	18,79,002	18,79,002
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
20 units (Previous year Nil units) of J M Financial Debentures of ₹ 1,00,000 each	2,01,86,480	—
Total (B)	3,31,83,480	1,29,97,000
C) Other than trade, in mutual funds		
a) Quoted:		
Nil Grams (Previous year 1580 grams) in Benchmark MF Gold Bees	—	29,55,536
Total (C)	—	29,55,536
Total Non Current Investments (A+B+C)	3,50,62,482	1,78,31,538
Share of Joint Venture - Refer Note 39	13,500	13,500
Total	3,50,75,982	1,78,45,038
Notes :		
1) Aggregate cost of quoted investments	3,49,12,482	1,76,81,538
2) Aggregate market value of listed and quoted investments	7,64,40,843	5,26,32,906
3) Aggregate cost of unquoted investments	1,50,000	1,50,000



Notes forming part of the Consolidated Financial Statements

Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
Note 13 : Deferred tax assets (net)		
Deferred tax assets		
On Employee benefits	99,43,474	92,02,439
On Provision for Doubtful Trade Receivables	5,42,284	4,19,625
On Commission	4,29,899	2,95,553
On Bonus	10,05,959	11,88,865
On Tangible fixed assets - Property, Plant & Equipment	4,00,777	17,70,591
On CENVAT on closing stock	15,70,570	—
	1,38,92,963	1,28,77,073
Share of Joint Venture - Refer Note 39	50,35,802	41,44,677
Total	1,89,28,765	1,70,21,750
Note 14 : Long-term loans and advances		
Unsecured considered good		
(a) Capital Advances	3,27,38,989	1,54,875
(b) Security deposits	2,67,11,924	1,92,07,905
(c) Prepaid expenses	8,16,899	2,61,584
(d) VAT credit receivable	1,36,51,047	30,36,224
(e) Advance income tax (Net of provision ₹ 32,80,21,197, Previous year ₹ 26,75,29,928)	3,89,46,545	3,25,46,344
	11,28,65,404	5,52,06,932
Share of Joint Venture - Refer Note 39	6,15,58,424	13,08,67,561
Total	17,44,23,828	18,60,74,493
Note 15 : Current investments		
Other than trade (Valued at cost or market value whichever is less)		
Unquoted Mutual Funds (Refer note (i) below)	29,35,82,336	37,90,53,494
	29,35,82,336	37,90,53,494
Share of Joint Venture - Refer Note 39	34,61,238	33,00,160
Total	29,70,43,574	38,23,53,654
Notes :		
1) Aggregate cost of quoted investments	—	—
2) Aggregate market value of listed and quoted investments	—	—
3) Aggregate cost of unquoted investments	29,35,82,336	37,90,53,494

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 2017		As at 31 March 2016	
			No of units	₹	No of units	₹
Birla Sun Life	Saving Fund- Daily Dividend - Regular Plan - Reinvestment	10	14,294	14,33,945	4,54,376	4,55,72,590
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
Franklin Templeton	Short Term Income Plan - Retail Plan	10	10,713	3,05,00,000	10,713	3,05,00,000
Franklin Templeton	Corporate Bond Opportunities Fund	10	4,79,299	53,11,588	9,02,364	1,00,00,000
Franklin Templeton	Ultra Short Term Fund - Super Institutional Plan	10	—	—	23,59,686	2,37,36,846
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
JM Financial	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	45,457	4,59,85,189	43,361	4,38,64,938
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	29,29,484	7,62,00,000	27,53,558	7,12,00,000
Sundaram	Flexible Fund - Short Term Plan Regular Growth	10	4,99,820	1,00,00,000	4,99,820	1,00,00,000
				29,35,82,336		37,90,53,494
	Share of Joint Venture - Refer Note 39			34,61,238		33,00,160
	Total			29,70,43,574		38,23,53,654

Particulars

Note 16 : Inventories

At lower of cost and net realisable value

Particulars	As at 31 March, 2017		As at 31 March, 2016	
		₹		₹
(a) Raw materials & Packing Materials		7,55,71,960		5,40,13,730
Material-in-transit		5,15,769		53,34,694
		7,60,87,729		5,93,48,424
(b) Fuels		15,32,782		15,92,819
(c) Work-in-progress				
Anionic/Cationic		—		1,50,431
Non Ionic		—		13,86,938
Oil Field		—		5,14,722
Miscellaneous		—		24,85,440
		—		45,37,531
(d) Semi Finished Goods		2,28,27,705		1,52,65,203
(e) Finished Goods		6,23,69,926		4,36,74,210
		16,28,18,142		12,44,18,187
Share of Joint Venture - Refer Note 39		4,01,22,404		3,50,75,207
Total		20,29,40,546		15,94,93,394



Notes forming part of the Consolidated Financial Statements

Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
Note 17 : Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured - considered Good	5,74,484	4,57,045
- considered Doubtful	8,58,090	12,12,510
	14,32,574	16,69,555
Less: Provision for doubtful trade receivables	8,58,090	12,12,510
	5,74,484	4,57,045
Other Trade receivables - Unsecured, considered Good	20,44,73,816	18,32,76,529
	20,50,48,300	18,37,33,574
Share of Joint Venture - Refer Note 39	4,24,38,339	18,59,55,166
Total	24,74,86,639	36,96,88,740
Note 18 : Cash and cash equivalents		
A. Cash and cash equivalents (as per AS 3 Cash Flow Statement)		
(a) Cash on hand	36,583	42,462
(b) Balances with banks		
(i) In current accounts	1,74,64,244	1,45,25,080
(ii) In EEFC accounts	23,66,373	2,25,80,304
(iii) In other deposit accounts		
- Original maturity of 3 months or less	—	1,75,000
Share of Joint Venture- Refer Note No 39	5,13,16,374	47,50,461
Total - Cash and cash equivalents (as per AS 3 Cash Flow Statement) (A)	7,11,83,574	4,20,73,307
B. Other bank balances (Refer Note (i) below)		
(i) In other deposit accounts		
- Original maturity of more than 3 months	1,75,000	1,00,00,000
(ii) In earmarked accounts		
- Unpaid dividend accounts	21,12,792	26,22,781
- Balances held as margin money against guarantees and other commitments	2,59,20,082	1,90,16,679
Share of Joint Venture- Refer Note No 39	2,86,37,316	2,20,45,203
Total - Other bank balances (B)	5,68,45,190	5,36,84,663
Total Cash and cash equivalents (A+B)	12,80,28,764	9,57,57,970
Note (i) :		
Balances with banks include deposits with remaining maturity of more than 12 months from the balance sheet date	—	5,52,817

Notes forming part of the Consolidated Financial Statements

Particulars	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
Note 19 :Short-term loans and advances		
Unsecured, considered Good		
(a) Loans and advances to employees	2,09,640	1,18,609
(b) Prepaid expenses	57,75,289	37,55,668
(c) Balances with government authorities		
i) Cenvat credit receivable	4,96,66,462	1,76,74,805
ii) Service Tax credit receivable	1,86,23,214	1,30,86,346
iii) Duty drawback receivable	27,72,893	13,18,831
(d) Others (advances to suppliers etc.)	71,38,346	80,69,633
	8,41,85,844	4,40,23,892
Share of Joint Venture- Refer Note 39	13,86,015	23,46,248
Total	8,55,71,859	4,63,70,140

	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
Note 20 : Other Current Assets		
(a) Interest accrued on bank deposits	1,176	2,34,986
(b) Interest accrued on other deposits	5,91,906	7,58,418
(c) Export incentives receivable	76,35,189	-
	82,28,271	9,93,404
Share of Joint Venture- Refer Note 39	7,31,900	22,04,789
Total	89,60,171	31,98,193

P&L

	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
Note 21 : Revenue from operations		
a) Sale of products (Gross) (Refer Note (i) below)	1,31,10,76,005	1,23,32,39,664
b) Sale of services (Job work)	69,42,261	43,11,844
c) Other operating revenues (Refer Note (ii) below)	2,17,40,412	1,18,56,165
	1,33,97,58,678	1,24,94,07,673
Add: Share of Joint Venture - Refer Note 39	50,53,54,872	77,96,95,416
Revenue from operations (Gross)	1,84,51,13,550	2,02,91,03,089
d) Less: Excise duty on revenue from operations	8,00,43,997	8,61,00,724
Share of Joint Venture - Refer Note 39	63,75,075	47,49,614
	8,64,19,072	9,08,50,338
Total	1,75,86,94,478	1,93,82,52,751



Notes forming part of the Consolidated Financial Statements

Particulars	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
Note:		
(i) Sale of products comprises:		
<u>Manufactured goods</u>		
Anionic / Cationic	12,70,20,971	12,75,79,009
Non Ionic	30,73,05,657	22,57,83,276
Textile	10,77,06,450	11,04,67,213
Oil Field	54,77,19,851	47,75,22,490
Flocculants	6,26,68,131	6,50,97,332
Others	15,86,54,945	22,67,90,344
Total - Sale of manufactured goods	1,31,10,76,005	1,23,32,39,664
(ii) Other operating revenues comprise:		
Export Incentives	1,82,20,971	80,77,353
Scrap Sales	29,18,877	28,12,252
Others (Discounts).....	6,00,564	9,66,560
Total - Other operating revenues	2,17,40,412	1,18,56,165
Note 22 : Other income		
(a) Interest income (Refer Note (i) below)	39,48,371	37,14,988
(b) Dividend income:		
(i) from current investments	61,13,885	75,63,213
(ii) from long-term investments	5,92,220	4,59,531
(c) Net gain on sale of investments		
(i) Current investments	66,50,820	70,16,645
(d) Other non operating income		
(i) Rental income from operating lease	—	1,21,52,790
(ii) Profit on sale of fixed assets (Refer Note 29.4)	—	12,32,306
(iii) Provisions for bad trade receivables no longer required written back	3,54,420	—
(iv) Sundry balances written back	5,17,811	3,20,247
(v) Refund of Property tax	49,64,941	—
(vi) Miscellaneous receipts	1,95,854	2,11,030
(vii) Net gain on foreign currency transactions and translation	39,72,633	70,56,778
	2,73,10,955	3,97,27,528
Share of Joint Venture- Refer Note 39	48,31,864	27,13,826
Total	3,21,42,819	4,24,41,354

Notes forming part of the Consolidated Financial Statements

Note:

(i) Interest income comprises:

	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
Interest from banks on deposits	18,21,617	19,56,682
Interest from banks on other balances	3	43
Interest on loans and advances	—	1,406
Interest income from long term investments	13,42,704	13,43,238
Others Interest (Interest on overdue trade receivable, interest on VAT refund etc.)	7,84,047	4,13,619
Total	39,48,371	37,14,988

Note 23 : Cost of materials consumed

Opening Stock	5,93,48,424	5,02,01,603
Add : Purchases	80,11,42,298	72,89,66,148
Less : Closing Stock	(7,60,87,729)	(5,93,48,424)
Cost of materials consumed	78,44,02,993	71,98,19,327

Raw Materials consumed comprises :

Ethylene Oxide	12,81,14,147	14,67,85,712
Fatty Alcohol, Phenol & Glycol	25,48,38,319	21,18,70,739
Oils & Fatty Acids	3,32,30,016	2,11,82,616
Acrylamide	2,09,92,756	1,72,97,557
Amines	2,17,56,247	3,84,59,719
Other items	32,54,71,508	28,42,22,984
	78,44,02,993	71,98,19,327
Share of Joint Venture- Refer Note 39	25,84,68,849	40,72,09,271
Total	1,04,28,71,842	1,12,70,28,598

Note 23A : Purchases of stock-in-trade (traded goods)

Share of Joint Venture - Refer Note 39		
Purchases of stock in trade	1,06,91,641	74,67,947
Total	1,06,91,641	74,67,947



Notes forming part of the Consolidated Financial Statements

Particulars	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
Note 24 :Changes in inventories of finished goods, work-in-progress		
<u>Inventories at the end of the year</u>		
Finished Goods	6,23,69,926	4,36,74,210
Semi Finished Goods	2,28,27,705	1,52,65,203
<u>Work-in-progress :</u>		
Anionic / Cationic	—	1,50,431
Non Ionic	—	13,86,938
Oil field	—	5,14,722
Miscellaneous	—	24,85,440
	8,51,97,631	6,34,76,944
<u>Inventories at the beginning 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	—
Sizing	—	92,282
Miscellaneous	24,85,440	—
	6,34,76,944	6,36,68,603
Net (increase) / decrease	(2,17,20,687)	1,91,659
Share of Joint Venture- Refer Note 39	45,31,540	61,57,732
Total	(1,71,89,147)	63,49,391
 Note 25 : Employee benefits expenses		
Salaries and wages	12,05,77,196	10,99,41,643
Contributions to provident and other funds	1,18,55,263	1,14,86,335
Staff welfare expenses	93,92,855	86,94,835
	14,18,25,314	13,01,22,813
Share of Joint Venture- Refer Note 39	3,97,05,175	4,25,09,987
Total	18,15,30,489	17,26,32,800

Notes forming part of the Consolidated Financial Statements

Particulars	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
Note 26 : Finance costs		
Interest on Term Loans (Refer Note (i) below)	4,81,616	1,84,546
Interest on Service Tax	—	43,00,784
Interest- Others (Sales Tax)	5,65,531	94,353
	10,47,147	45,79,683
Share of Joint Venture- Refer Note 39	3,74,528	3,11,677
Total	14,21,675	48,91,360

Note (i):

In addition to the above, during the year, the Company has incurred borrowing cost (including loan processing fees and stamp duty) amounting to ₹ 4,309,497 (Previous Year ₹ Nil) which is disclosed under Capital work-in-progress - Property, Plant & Equipment.

Particulars	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
Note 27 : Other Expenses		
Consumption of stores and spare parts	77,57,269	82,59,344
Power and fuel	4,56,49,706	4,32,25,181
Rent	73,29,078	44,14,752
Rates and taxes	28,26,061	34,57,990
Telephone, telex and telegrams	27,18,648	21,70,947
Insurance	20,84,031	19,40,332
Excise duty *	20,78,188	12,66,398
Repairs and maintenance		
Buildings	11,34,314	7,97,898
Plant & Equipment	76,21,449	67,28,586
Others	37,48,612	36,15,242
Travelling Expenses	52,30,835	46,70,200
Legal and professional	84,42,757	83,76,403
Payments to auditors (Refer Note (i) below)	39,29,579	42,41,822
Freight Expenses	3,27,07,070	2,64,42,648
Bank Charges	32,62,820	29,72,907
Expenditure on Corporate Social Responsibility (Refer Note 29.3)	22,15,000	5,00,000
Donations	2,59,000	20,000
Vehicle Expenses	14,57,907	10,31,527
Commission on sales	1,40,12,394	1,58,53,450
Directors Siting Fees	10,75,000	12,25,000
Excess of cost over fair value of current investment	—	(16,399)
Bad trade and other receivables, loans & advances written off	—	12,11,441
Less: Adjusted out of doubtful trade receivables for earlier years	—	(5,93,793)
	—	6,17,648
Miscellaneous expenses	2,97,31,471	2,47,30,746
	18,52,71,189	16,65,42,622
Share of Joint Venture- Refer Note 39	12,24,18,207	13,74,46,400
Total	30,76,89,396	30,39,89,022

* 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, 2017**
₹

For the year
ended
31 March, 2016
₹

Note (i)

Payments to the auditors comprises (net of service tax)

To statutory auditors

For Audit fees	25,54,988	24,76,588
For Tax audit	4,50,000	8,59,000
For Limited review	9,00,000	9,00,000
For Out of pocket expenses	24,591	6,234
Total	39,29,579	42,41,822

Note 28 : Tax expense / (benefit)

a) Current Tax	6,02,00,000	5,67,00,230
Share of Joint Venture - Refer Note 39	2,46,00,000	6,25,00,000
	8,48,00,000	11,92,00,230
b) Taxation Adjustments for prior years	2,91,269	-
c) Deferred Tax credit (net)	(10,15,890)	(9,87,850)
Share of Joint Venture - Refer Note 39	(8,91,125)	(16,42,425)
	(19,07,015)	(26,30,275)
Total	8,31,84,254	11,65,69,955

Note 29A : Depreciation and amortisation expenses

Depreciation for the year on tangible assets - Property, Plant & Equipment as per Note 11A	2,01,67,039	2,08,64,945
Amortisation for the year on intangible assets as per Note 11 B	85	1,788
	2,01,67,124	2,08,66,733
Share of Joint Venture- Refer Note 39	23,47,986	22,68,407
Total	2,25,15,110	2,31,35,140

Notes forming part of the Consolidated financial statements

Particulars

Note 29 Additional information to the Consolidated Financial Statements

	As at 31 March, 2017 ₹	As at 31 March, 2016 ₹
29.1 Contingent liabilities and commitments (to the extent not provided for)		
Contingent liabilities		
Claims against the Group 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)	3,61,08,377	3,15,52,936
* Includes ₹ 1,41,97,321 (previous year ₹ 1,41,97,321) for which bank guarantee has been given and shown under Note 29.1 (i) (c).		
(b) Others		
1. Labour matters (back wages and compensation under Workmen Compensation Act)	30,83,858	25,31,985
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)	2,99,48,061	3,71,72,503
3. Disputed Sales Tax demands for set off claimed on unmatched input credit	80,58,073	78,98,343
4. Service Tax (Dispute on mode of payment)	—	60,44,592
(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	75,63,537
** 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. (Jointly Controlled Entity)		
(e) Share of Group in contingent liabilities of joint venture	7,13,00,000	4,83,00,000
(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 Company has made an accrual of ₹ 76,68,839/- (Previous year ₹ 84,86,994) based on its estimate of likely settlement with the employees. The Company does not expect any further significant additional liability on this account.		
Future outflows 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

Particular

(ii) Commitments

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets- Property, Plant & Equipment

(b) Share of Group in commitments of a joint venture

As at
31 March, 2017
₹

14,95,08,022

3,52,443

As at
31 March, 2016
₹

64,000

7,99,481

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 31 March, 2017 (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, 2017				As at 31 March, 2016			
Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency
₹	USD	₹	GBP	₹	USD		GBP
8,84,05,126	13,83,020	—	—	7,16,66,835	11,00,161	—	—
(60,84,383)	(92,242)	(23,264)	(282)	(3,89,98,013)	(5,79,493)	(22,753)	(233)

29.3 Corporate Social Responsibility Expenditure

In terms of Section 135 of the Companies Act, 2013, the group was required to spend the gross amount of ₹ 46,74,556/- (Previous year ₹ 30,08,250/-) 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 ₹ 34,65,000 (Previous year ₹ 7,50,000) on CSR activities.

29.4 Other income of Previous year 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.

Notes forming part of the Consolidated financial statements

30 Employee benefit plans**A Defined contribution plans**

The Group 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 ₹ 83,44,590 (Previous year ₹ 76,01,168) for Provident Fund contributions, ₹ 3,05,730 (Previous year ₹ 2,64,751) 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 payable as per the provision of Gratuity Act, 1972 with vesting period of 5 years of service.

The company also provided for protected Gratuity calculated based on additional 15 days of service for all employees upto 1st December, 2003.

Particulars	Year ended 31 March, 2017 Gratuity (Funded) ₹	Year ended 31 March, 2016 Gratuity (Funded) ₹
I. Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	4,74,48,874	4,76,68,861
Current service cost	19,97,393	16,28,784
Interest cost	30,48,402	30,21,053
Actuarial (gains) / losses	37,66,869	32,86,705
Past service cost	(1,00,25,004)	—
Benefits paid		(81,56,526)
Present value of DBO at the end of the year	4,43,93,383	4,74,48,877
II Change in fair value of plan assets during the year		
Plan assets at beginning plan of the year	3,50,22,670	3,80,60,679
Expected return on plan assets	27,29,352	30,25,824
Actual company contributions	(1,15,457)	19,65,930
Actuarial gain / (loss)	46,16,813	(1,19,519)
Benefits paid	(1,00,25,004)	(79,10,244)
Plan assets at the end of the year	3,22,28,374	3,50,22,670
III Analysis of Defined Benefit Obligation		
Defined Benefit Obligation as at the end of the year	4,43,93,383	4,74,48,877
Fair value of plan assets at the end of the year	3,22,28,374	3,50,22,670
Net asset / (liability) recognised in the Balance Sheet	(1,21,65,009)	(1,24,26,207)
IV Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	4,43,93,383	4,74,48,877
Fair value of plan assets	3,22,28,374	3,50,22,670
Funded status [Surplus / (Deficit)]	(1,21,65,009)	(1,24,26,207)
Unrecognised past service costs	—	—
Net asset / (liability) recognised in the Balance Sheet	(1,21,65,009)	(1,24,26,207)
V Components of employer expenses recognised in the Statement of Profit and Loss		
Current service cost	19,97,393	16,28,784
Interest cost	29,91,928	30,21,053
Expected return on plan assets	(26,72,878)	(30,25,824)
Actuarial losses/(gains)	42,08,055	37,80,290
Total expense recognised in the Statement of Profit and Loss	65,24,497	54,04,303



Notes forming part of the financial statements

Note 30 Disclosures under Accounting Standards (Contd.)

VI Actuarial assumptions

Discount rate	6.82%	7.95%
Expected return on plan assets	6.82%	7.95%
Salary escalation	7.00%	8.00%
Attrition	5.00%	5.00%
Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Estimate of amount of contribution in the immediate next year	50,02,106	43,50,000

VII Experience adjustments

Particulars	31 March, 2017 ₹	31 March, 2016 ₹	31 March, 2015 ₹	31 March, 2014 ₹	31 March, 2013 ₹
Gratuity					
Experience gain / (loss) adjustments on plan liabilities	37,66,869	32,86,705	40,65,009	(5,69,905)	37,49,709
Experience gain / (loss) adjustments on plan assets	(1,15,457)	(1,19,519)	(1,94,220)	(84,835)	33,276
Defined Benefit Obligation at the end of the period	4,43,93,383	4,74,48,877	4,76,68,861	4,66,92,991	4,63,91,355
Plan Assets at the end of the period	3,22,28,374	3,50,22,670	3,80,60,679	4,14,38,420	3,95,16,140
Funded status [Surplus / (Deficit)]	(1,21,65,009)	(1,24,26,207)	(96,08,182)	(52,54,571)	(68,75,215)

- 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 group 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:

Geographical Segment	Revenues for the year ended 31 March, 2017	Segment assets as at 31 March, 2017	Capital expenditure incurred during the year ended 31 March, 2017
	₹	₹	₹
Outside India	56,27,93,367	8,84,05,126	—
Previous Year	43,40,24,818	7,16,66,835	—
Within India	1,31,44,63,002	1,65,93,75,577	6,70,11,232
Previous Year	90,57,20,491	1,11,69,63,930	3,64,90,804

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 Chemicals Asia Pacific Pte. Ltd.(CTI)
(iii) Key Management Personnel (KMP)	i) Mrs.S. F. Vakil - Chairperson & Managing Director (SFV) ii) Ms. Meher F.Vakil - Chief Operating Officer - Daughter of Chairperson & Managing Director (MFV)
(iv) Relatives of KMP	i) Mr. D. M. Neterwala - Father of Chairperson & Managing Director (DMN- Since deceased) ii) Mrs. P. R. Mehta - Sister of Chairperson & Managing Director (PRM)
(v) Entities in which KMP / Relatives of KMP can exercise significant influence	i) Indian Oxides & Chemicals Pvt. 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, 2017 and balances outstanding as at 31 March, 2017 :

Particulars	JCE (NCD)	Other Ventures (CTI)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprises over which director can exercise significant influence	Total
	₹	₹	₹	₹	₹	₹	₹
Purchase of goods	Nil	10,90,06,790					10,90,06,790
	(13,600)	(13,61,17,020)					(13,61,30,620)
IOCL					77,11,537		77,11,537
					(6,05,391)		(6,05,391)
GPPL					40,85,820		40,85,820
					(37,41,677)		(37,41,677)
NIL					4,430		4,430
					(Nil)		(Nil)
UKL					82,280		82,280
					(2,26,570)		(2,26,570)



Notes forming part of the Consolidated financial statements

Particulars	JCE (NCD)	Other Ventures (CTI)	KMP	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		47,00,992 (35,96,311)					47,00,992 (35,96,311)
Sale of goods	4,19,02,822 (5,82,33,206)						4,19,02,822 (5,82,33,206)
IOCL					Nil (58,271)		Nil (58,271)
GPPL					42,08,292 (39,54,476)		42,08,292 (39,54,476)
Sale of service (Job Work)							
IOCL					69,42,261 (44,11,843)		69,42,261 (44,11,843)
Purchase of fixed assets	1,37,500 Nil						1,37,500 Nil
UKL					Nil (10,83,352)		Nil (10,83,352)
Rendering of services/ Reimbursement of expenses:	5,59,090 (5,69,870)						5,59,090 (5,69,870)
SDNC					2,31,832 (4,92,840)		2,31,832 (4,92,840)
IOCL					Nil (3,23,250)		Nil (3,23,250)
Receiving of services/ Reimbursement of expenses:		2,66,581 (13,97,958)					2,66,581 (13,97,958)
SFV			1,06,650 (2,39,496)				1,06,650 (2,39,496)
NCCSL					56,267 (10,000)		56,267 (10,000)
AFIPL					3,611 (Nil)		3,611 (Nil)
NIL					23,000 (22,800)		23,000 (22,800)
MFV			Nil (4,54,762)				Nil (4,54,762)

Notes forming part of the Consolidated financial statements

Particulars	JCE (NCD)	Other Ventures (CTI)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprises over which director can exercise significant influence	Total
	₹	₹	₹	₹	₹	₹	₹
Compensation/ others			27,15,203				27,15,203
			(26,84,752)				(26,84,752)
Remuneration							
SFV			1,49,50,660				1,49,50,660
			(1,07,85,908)				(1,07,85,908)
MFV			68,80,391				68,80,391
			(21,78,602)				(21,78,602)
CSR -MSN						12,75,000	12,75,000
						(5,00,000)	(5,00,000)
Dividend received	3,09,37,500						3,09,37,500
	(2,53,12,500)						(2,53,12,500)
Dividend paid:		3,09,37,500	Nil				3,09,37,500
		(2,53,12,500)	(1,50,30,465)				(4,03,42,965)
DMN				Nil			Nil
				(4,16,251)			(4,16,251)
FAV				Nil			Nil
				(4,23,050)			(4,23,050)
PRM				Nil			Nil
				(42,18,750)			(42,18,750)
RIL					Nil		Nil
					(14,45,400)		(14,45,400)
GPPL					Nil		Nil
					(3,212)		(3,212)
CFAPL					Nil		Nil
					(6,42,500)		(6,42,500)
Consultancy Fees - MFV			Nil				Nil
			(3,28,520)				(3,28,520)
Balances outstanding at the end of the year							
Investments	33,75,000						33,75,000
	(33,75,000)						(33,75,000)
Trade receivables	20,15,908						20,15,908
	(84,39,801)						(84,39,801)
IOCL					21,56,399		21,56,399
					(3,93,761)		(3,93,761)
GPPL					Nil		Nil
					(11,50,146)		(11,50,146)
CFAPL					25,200		25,200
					(Nil)		(Nil)



Notes forming part of the Consolidated financial statements

Particulars	JCE (NCD)	Other Ventures (CTI)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprizes over which director can exercise significant influence	Total
	₹	₹	₹	₹	₹	₹	₹
Deposits for office			32,00,000				32,00,000
			(32,00,000)				(32,00,000)
Trade payables		5,52,126					5,52,126
		(2,56,52,333)					(2,56,52,333)
NIL					Nil		Nil
					(22,344)		(22,344)
UKL					Nil		Nil
					(1,71,682)		(1,71,682)
GPPL					3,98,030		3,98,030
					(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, 2017 ₹	For the year ended 31 March, 2016 ₹
33.1	Details of leasing arrangements		
	<u>As Lessor</u>		
33.1.a	The Group has entered into operating lease arrangements for commercial premises at Worli.		
	Depreciation recognised on the leased assets	—	28,37,285
	Accumulated depreciation on the leased assets	—	1,61,31,628
33.1.b	<u>As Lessee</u>		
33.1.b.(i)	The group has entered into operating lease arrangements for certain facilities. The leases are non-cancellable and were for a period from 15 November, 2015 to 14 November, 2016. 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	—	24,37,500
	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 ₹ 62,14,511 of Jointly controlled Entity (Previous Year ₹ 78,36,892)]	1,35,43,589	1,22,51,644

Notes forming part of the Consolidated financial statements

Note	Particulars	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
33.2	Earnings per share		
	<u>Basic & Diluted</u>		
	Profit for the year (₹)	15,81,22,003	21,86,29,877
	Weighted average number of equity shares	74,51,229	74,51,229
	Par value per share (₹)	10	10
	Earnings per share - Basic and Diluted (₹)	21.22	29.34

Note 34 Proposed Dividend

The Board of Directors of Company at their meeting held on 5 May 2017 proposed a dividend of ₹ 3 per share aggregating to ₹ 2,23,53,687. The said dividend is subject to approval at the ensuing Annual General Meeting (AGM) of the Members of the Company. Pursuant to change in Accounting Standard 'AS' - 4 "Contingencies and Events Occurring After the Balance Sheet Date", notified vide MCA notification G.S.R. 364(E) dated 30 March 2016, as the said proposed dividend is subject to approval of the Members at the ensuing AGM of the Company, there was no obligation as at the Balance Sheet date, and accordingly, the said proposed dividend is not required to be accounted for in these financial statements.

Note 35 Disclosures in respect of Specified Bank Notes (SBN)

During the year, the Group and its jointly controlled entity had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31 March, 2017. The detail of specified Bank notes (SBN) held and transacted during the period from 8th November, 2016 to 30 December, 2016, and other notes as per the said notification is stated below:

in ₹

Particulars	SBNs *	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016	80,250	14,643	94,893
(+) Permitted receipts	—	—	—
(+) Advances given to employees returned back**	27,000	—	27,000
(+) Withdrawal from Bank Account	—	5,88,500	5,88,500
(+) Other receipts - scrap sales	—	11,349	11,349
(-) Permitted payments	—	—	—
(-) Reimbursement of expense to employees	—	5,66,264	5,66,264
(-) Amount deposited in Banks	1,07,250	1,567	1,08,817
Closing cash in hand as on December 30, 2016	—	46,661	46,661

* For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407 E, dated the 8 November, 2016

** These are advances given to employees prior to 8th November, 2016 returned back to the company in SBN's after notification of Government of India dt. 8th November, 2016.

Note 36 Pursuant to approval by the members of the Company at the AGM held dated 4 August, 2016, the Company had applied to Ministry of Corporate Affairs (MCA) for payment of remuneration to Managing Director. The MCA approved amount of ₹ 1,30,26,000 vide approval dated 10 January, 2017 for the year ended 31 March, 2017. However, in the interim, the MCA vide government notification dated 12 September, 2016 increased the limits of remuneration payable to managerial personnel in terms of amendment to schedule V to the Companies Act, 2013. Accordingly, the Company has intimated MCA that the managerial remuneration will be paid as per the amended schedule V. Accordingly, salary and wages includes amount of ₹ 1,49,50,660 for managerial remuneration paid which is in line with the amendments to the Companies Act, 2013 and the resolution as approved by the members of the Company.



Notes forming part of the Consolidated financial statements

Note 37 During the year, the Company has commissioned construction of its new facility at Dahej with an estimated project cost of ₹ 1,68,00,00,000. The total capital expenditure incurred in this respect of said project aggregated to ₹ 40,66,20,066 as at 31 March, 2017. The said project is financed by way of borrowings and through internal accruals. As at the year end, the Company has tied up for aggregate borrowings of ₹ 50,00,00,000 of which an amount of ₹ 3,00,00,000 has been drawn down as at 31 March, 2017. Subsequent to the year end, the Company has further obtained borrowing facility of ₹ 42,00,00,000. The progress of the project is in line with management's plans.

Note 38 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 Rupees	As % of consolidated profit or loss	Amount Rupees
Parent				
Dai-ichi Karkaria Ltd	82.00%	1,15,61,76,433	73.71%	11,65,58,324
Subsidiary				
Dai-ichi Gosei Chemicals (India) Ltd	0.02%	2,30,079	0.00%	(1,148)
Minority Interests in all subsidiaries	0.00%	7,187	0.00%	(34)
Joint Ventures (as per proportionate consolidation)				
Nalco Champion Dai-ichi India Pvt.Ltd.	17.98%	25,34,77,379	26.29%	4,15,64,861

Note 39 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, 2017	
		Contingent liabilities	Capital Commitments
Nalco Champion Dai-ichi India Pvt. Ltd. (Audited)	50	7,13,00,000	3,52,443
Previous year	50	4,83,00,000	7,99,481

Notes forming part of the Consolidated financial statements**Note 40 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, 2016	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at 31 March, 2017
	₹	₹	₹	₹	₹
Compensation for deficiency in performance	37,93,756	2,42,699	37,93,756	—	2,42,699
Previous year	20,06,978	37,93,756	20,06,978	—	37,93,756

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

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
Compensation for deficiency in performance	2,42,699	37,93,756

Note 41 Previous year's figures

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

For and on behalf of the Board of Directors

S. F. Vakil
Chairperson & Managing Director
(DIN: 00002519)

Adi Jehangir
Director
(DIN: 00001752)

Anil Naik
Director
(DIN: 00002670)

Kavas Patel
Director
(DIN: 00002634)

Keki Elavia
Director
(DIN: 00003940)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 5 May, 2017



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

(Amount in ₹)

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	5,00,000
6	Reserves & Surplus	(2,62,769)
7	Total Assets	2,46,372
8	Total Liabilities	2,46,372
9	Investments	Nil
10	Turnover (Other Income)	13,166
11	Loss before taxation	(1,148)
12	Provision for taxation	-
13	Loss after taxation	(1,148)
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 year	Nil

Statement 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
1	Latest audited Balance Sheet date	31-03-2017
2	Shares of Joint Venture held by the Company on the year end :	
	Nos of Shares	11,25,000
	Amount of investment in Joint Venture	67,50,000
	Extent 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	21,00,14,552
6	Profit for the year	
	1. Considered in consolidation	4,00,40,045
	2. Not considered in consolidation	4,00,40,045
1	Names of Associates or Joint Ventures which is yet to commence operations	Nil
2	Names of Associates or Joint Ventures which have been liquidated or sold during the years	Nil

For and on behalf of the Board of Directors

S. F. Vakil
Chairperson & Managing Director
(DIN: 00002519)

Adi Jehangir
Director
(DIN: 00001752)

Anil Naik
Director
(DIN: 00002670)

Kavas Patel
Director
(DIN: 00002634)

Keki Elavia
Director
(DIN: 00003940)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 5 May, 2017



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]

57TH ANNUAL GENERAL MEETING ON JULY 17, 2017

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 57th Annual General meeting of the Company, to be held on Monday, July 17, 2017 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, 2017. (b) Audited Consolidated Financial Statements and Auditors report for the financial year ended March 31, 2017.		
2	Declaration of dividend for the year ended March 31, 2017		
3	Re-appointment of Mr. A. H. Jehangir (DIN: 00001752), who retires by rotation.		
4	Appointment of Messrs. BSR & Co. LLP, Chartered Accountants, (ICAI Firm Registration No.: 101248W/W-100022) in place of retiring auditors Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants.		
5	Ratification of remuneration payable to Mr. Sudhir Govind Jog, Cost Accountant (Membership No. 5599) as Cost Auditor of the Company.		

Signed this day of 2017

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 as 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/-

[illegible]

NOTES

[illegible]

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