

THE DHARAMSI MORARJI CHEMICAL CO. LTD.



100 Years of Sulphur Chemistry

Sec.25/2019/124

28th August, 2019

BSE Ltd.,
Corporate Relationship Dept./
Listing & Compliance,
1st Floor, New Trading Ring,
Rotunda Building, P.J.U. Towers,
Dalal Street, Fort,
Mumbai 400 001

Scrip Code : 506405

Sub.: Annual Report of 98th Annual General Meeting of the Company

Dear Sir,

As per Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (the Listing Regulations), please find the enclosed 98th Annual Report for your reference and record. The Notice for the 98th Annual General Meeting is contained in the said Annual Report.

Please take the same on record. The entire Annual report is available on the following link :
<http://www.dmcc.com/Media/pdf/DMCC Annual-Report 2018-19.pdf>

Thanking you,

Yours faithfully,
For The Dharamsi Morarji Chemical Co. Ltd.,


(D.T. Gokhale)

Company Secretary & Compliance Officer



CIN NUMBER: L24110MH1919PLC000564

REGD. OFFICE : PROSPECT CHAMBERS, 317/21, DR. D. N. ROAD, FORT, MUMBAI - 400 001. INDIA.
PHONES : 2204 8881-2-3 | Fax : 2285 2232 | E-mail ID : info@dmcc.com | Website : www.dmcc.com

THE DHARAMSI MORARJI CHEMICAL CO. LTD.



1919 - 2019

100 Years of Sulphur Chemistry

**98th Annual Report
2018 - 2019**



Responsible Care®
OUR COMMITMENT TO SUSTAINABILITY

Presented to

THE DHARAMSI MORARJI CHEMICAL CO. LTD.

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



ICC
Indian Chemical Council



TELEGRAM : SCINDRECH
दूरभाष/TEL : 26962819, 26567373
(EPBAX) : 26565694, 26562133
: 26565687, 26562144
: 26562134, 26562122
फैक्स/FAX : 26960629, 26529745
Website : <http://www.dsir.gov.in>



भारत सरकार
विज्ञान और प्रौद्योगिकी मंत्रालय
वैज्ञानिक और औद्योगिक अनुसंधान विभाग
टेक्नोलॉजी भवन, नया महरौली मार्ग,
नई दिल्ली - 110 016
GOVERNMENT OF INDIA
MINISTRY OF SCIENCE AND TECHNOLOGY
Department of Scientific and Industrial Research
Technology Bhavan, New Mehrauli Road,
New Delhi - 110 016



F. No. TU/IV-RD/5/2018

Dated: 14th September, 2018

To

M/s. The Dharamsi Morarji Chemical Co. Ltd.
Prospect Chambers,
317/21 Dr. Dadabhai Naoroji Road, Fort,
Mumbai - 400 001

Subject: RENEWAL OF RECOGNITION OF IN-HOUSE R&D UNIT(s)

Dear Sirs,

This has reference to your application for renewal of recognition of your in-House R&D unit(s) beyond 31-03-2018 by the Department of Scientific and Industrial Research.

2. This is to inform you that it has been decided to accord renewal of recognition to the in-House R&D unit(s) of your firm at Plot No. 105, MIDC Area, Dhatav, Tal. Roha, Dist. Raigad shifted from M. G. Road, Ambernath P.O., Distt. Thane upto 31.03.2021. Terms and conditions pertaining to this recognition are given overleaf.

3. Kindly acknowledge the receipt of this letter.

Yours faithfully,

(Dr S. K. Deshpande)
Scientist - 'G'



TELEGRAM : SCINDRECH
दूरभाष/TEL : 26962819, 26567373
(EPBAX) : 26565694, 26562133
: 26565687, 26562144
: 26562134, 26562122
फैक्स/FAX : 26960629, 26529745
Website : <http://www.dsir.gov.in>



भारत सरकार
विज्ञान और प्रौद्योगिकी मंत्रालय
वैज्ञानिक और औद्योगिक अनुसंधान विभाग
टेक्नोलॉजी भवन, नया महरौली मार्ग,
नई दिल्ली - 110 016
GOVERNMENT OF INDIA
MINISTRY OF SCIENCE AND TECHNOLOGY
Department of Scientific and Industrial Research
Technology Bhavan, New Mehrauli Road,
New Delhi - 110 016

F. No. TU/IV-RD/5/2018

M/s. The Dharamsi Morarji Chemical Co. Ltd.
Prospect Chambers,
317/21 Dr. Dadabhai Naoroji Road, Fort,
Mumbai - 400 001

Subject: Registration of Research Institution, other than a Hospital, for the purpose of availing Customs duty exemption in terms of Government Notifications No. 51/96 - Customs dated 23.07.1996; No. 24/2007 - Customs dated 1.03.2007; No. 43/2017 - Customs dated 30.06.2017; No. 45/2017-Central Tax (Rate) & 47/2017-Integrated Tax (Rate) dated 14.11.2017; No. 9/2018 - Central Tax (Rate), No. 09/2018 Union Territory Tax (Rate) & No.10/2018-Integrated Tax (Rate) dated 25.01.2018; and State Tax (Rate) as applicable and all notification as amended from time to time.

CERTIFICATE OF REGISTRATION

This is to certify that the in-house R&D unit(s) of M/s. The Dharamsi Morarji Chemical Co. Ltd. located at Plot No. 105, MIDC Area, Dhatav, Tal. Roha, Dist. Raigad shifted from M. G. Road, Ambernath P.O., Distt. Thane is/are registered with the Department of Scientific & Industrial Research (DSIR) for purpose of availing customs duty exemption in terms of Government Notification No. 51/96 - Customs dated 23.07.1996; No. 24/2007 - Customs dated 1.03.2007; No. 43/2017 - Customs dated 30.06.2017; No. 45/2017-Central Tax (Rate) & 47/2017-Integrated Tax (Rate) dated 14.11.2017; No. 9/2018 - Central Tax (Rate), No. 09/2018 Union Territory Tax (Rate) & No.10/2018-Integrated Tax (Rate) dated 25.01.2018; and State Tax (Rate) as applicable and all notification as amended from time to time. The registration is subject to terms and conditions mentioned overleaf.

This registration is valid upto 31.03.2021.

(Dr S. K. Deshpande)
Scientist - 'G'

Roha Factory



Solar Panels



Dahej Factory





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Directors

Shri Laxmikumar Narottam Goculdas	Chairman
Ms Mitika Laxmikumar Goculdas	Vice Chairperson
Shri Haridas Tricumdass Kapadia	
Shri Madhu Thakorlal Ankleshwaria	
Shri Arvind Wasudeo Ketkar	
Shri Mukul Manoharlal Taly	
Shri Sanjeev Vishwanath Joshi	

Key Management Personnel

Shri Bimal Lalitsingh Goculdas	Managing Director, & Chief Executive Officer, w.e.f. 01.04.2018. (Chief Executive Officer & Manager upto 31.03.2018)
Shri Dilip Trimbak Gokhale	Sr. Executive Vice President & Company Secretary
Shri Chirag Jaswant Shah	Chief Finance Officer (w.e.f. 06.07.2018)
Shri D. G. Patil	Chief Finance Officer (upto 01.07.2018)

Auditors

Rahul Gautam Divan & Associates
Chartered Accountants, Mumbai.

Internal Auditors

Messrs Mahajan & Aibara
Chartered Accountants, Mumbai.

Bankers

Jankalyan Sahakari Bank Ltd.
RBL Bank Ltd.

Registered Office

Prospect Chambers,
317/321, Dr. Dadabhoy Naoroji Road,
Fort, Mumbai – 400 001.

Factories

Roha (Maharashtra)
Dahej (Gujarat)
Khemli (Rajasthan)
Jhar (Gujarat)

Registrar and Share Transfer Agents

Link Intime India Pvt. Ltd.

C101, 247 Park, L B S Marg,
Vikhroli (W) Mumbai-400 083.
Tel. : 022.491.86000 Fax : 022- 49186060
Email : mt.helpdesk@linkintime.co.in



NOTICE

Notice is hereby given that the Ninety Eighth Annual General Meeting of the Members of THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED (CIN : L24110MH1919PLC000564) will be held at the Indian Merchants' Chamber, Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020, on Friday, the 20th day of September, 2019 at 11:30 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the Financial Year ended 31st March, 2019, together with the Reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the audited consolidated financial statements of the Company for the Financial Year ended 31st March, 2019, together with the Report of the Auditors thereon.
3. To confirm:
 - (a) the Interim dividend of Rs. 0.50 per equity share (face value of Rs.10/- each) declared on 7th December, 2018 and already paid to shareholders on 3rd January, 2019, be considered as final dividend for the financial year ended 31st March, 2019, and
 - (b) to declare a 'Special Centenary Year (1919 to 2019)' dividend of Rs. 1.00 per equity share (face value of Rs. 10/- each) for the financial year ended 31st March, 2019.

To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Interim dividend of Rs. 0.50 per equity share (face value of Rs.10/- each) declared on 7th December, 2018 and already paid to shareholders on 3rd January, 2019, be considered as final dividend for the financial year ended 31st March, 2019 be and is hereby approved and the 'Special Centenary Year (1919 to 2019)' dividend of Rs. 1.00 per equity share (face value of Rs. 10/- each as recommended by the Board of Directors of the Company at its meeting held on 28th May, 2019, be and is hereby approved and declared for the Financial Year ended 31st March, 2019."

4. To appoint a Director in place of Ms Mitika Laxmikumar Goculdas (holding DIN 02879174), who retires by rotation, and being eligible, offers herself for re-appointment.
5. To ratify the appointment of Statutory Auditors of the company, holding office from the conclusion of the 96th Annual General Meeting (AGM) of the company till the conclusion of the 101st AGM of the company to be held in 2022 and to fix their remuneration and in this regard, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to resolution No.3 passed at the 96th Annual General Meeting held on 26th December, 2017, the company hereby ratifies the appointment of Messers Rahul Gautam Divan & Associates, Chartered Accountants, (ICAI Firm Registration No.120294W), holding office from the conclusion of the 96th Annual General Meeting until the conclusion of the 101st Annual General Meeting of the company to be held in the calendar year 2022, as the Statutory Auditors of the company, and approves the payment of remuneration as may be mutually agreed upon between the Board of Directors of the company and the Auditors."

"RESOLVED FURTHER THAT Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution."

SPECIAL BUSINESS

6. **Appointment of Shri Haridas Tricumdas Kapadia as an Independent Director**

To consider and, if thought fit, to pass with or without modifications(s), the following resolution as a Special Resolution:



“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (the act), the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable rules made thereunder read with Schedule IV to the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment, modification, variation or re-enactment thereof, the Articles of Association of the Company and the approval and recommendation of the Nomination and Remuneration Committee of Directors and the Board of Directors of the Company, Shri Haridas Tricumdas Kapadia (DIN:00125090), in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director of the Company (a Non-Executive Independent Director of the Company, whose existing tenure as an Independent Director is up to 17th September, 2019 and being eligible), be and is hereby re-appointed as an Independent Director of the Company to hold office for another term of 1 (One) year with effect from 17th September, 2019 up to 16th September, 2020 and that he shall not be liable to retire by rotation.”

7. Appointment of Shri Madhu Thakorlal Ankleshwaria as an Independent Director

To consider and, if thought fit, to pass with or without modifications(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (the act), the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable rules made thereunder read with Schedule IV to the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment, modification, variation or re-enactment thereof, the Articles of Association of the Company and the approval and recommendation of the Nomination and Remuneration Committee of Directors and the Board of Directors of the Company, Shri Madhu Thakorlal Ankleshwaria (DIN:02753794), in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director of the Company (a Non-Executive Independent Director of the Company, whose existing tenure as an Independent Director is up to 17th September, 2019 and being eligible), be and is hereby re-appointed as an Independent Director of the Company to hold office for another term of 5 (five) consecutive years with effect from 17th September, 2019 up to 16th September, 2024 and that he shall not be liable to retire by rotation.”

8. Appointment of Shri Arvind Wasudeo Ketkar as an Independent Director

To consider and, if thought fit, to pass with or without modifications(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (the act), the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable rules made thereunder read with Schedule IV to the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment, modification, variation or re-enactment thereof, the Articles of Association of the Company and the approval and recommendation of the Nomination and Remuneration Committee of Directors and the Board of Directors of the Company, Shri Arvind Wasudeo Ketkar (DIN:02863429), in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director of the Company (a Non-Executive Independent Director of the Company, whose existing tenure as an Independent Director is up to 17th September, 2019 and being eligible), be and is hereby re-appointed as an Independent Director of the Company to hold office for another term of 1 (One) year with effect from 17th September, 2019 up to 16th September, 2020 and that he shall not be liable to retire by rotation.”

9. Ratification of Cost Auditor's Remuneration

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(3) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment (s) thereof, for the time being in force), as amended from time to time, the remuneration payable (as recommended by the Audit Committee and approved by the Board of Directors of the Company), to CMA Shri S. S. Dongare holding ICWA Registration Number 12521, appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020, amounting to Rs. 66,000/- (Rupees Sixty Six Thousand Only) as also the payment of taxes as applicable and re-imbursement of actual out-of-pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified.”

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

NOTES:

- a. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in regard to the business as set out in item Nos. **5 to 9** above is annexed hereto:
- b. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. Proxies submitted on behalf of Companies, Societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by on behalf of the nominating organization.
- c. Corporate members intending to send their authorised representatives to attend the Annual General Meeting (AGM) are requested to send a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the AGM.
- d. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
- e. 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.
Provided that 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 proxy for any other person or shareholder.
- f. Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
- g. The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, the 12th September, 2019 to Friday, 20th September, 2019 (both days inclusive).
- h. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office during office hours between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and Public Holidays upto the date of the Annual General Meeting.
- i. Members holding shares in electronic form are requested to notify any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical forms are requested to advise any change in their address or bank mandates immediately to the Company/ Registrar and Share Transfer Agents viz. Link Intime India Private Limited.

Members holding Shares in Physical form are requested to consider converting their holding to dematerialized form to eliminate all risk associated with physical shares and for ease of portfolio management. Members can contact Company/ Registrar and Share Transfer Agents viz. Link Intime India Private Limited for assistance in this regard.



- j. NRI shareholders are requested to immediately inform (a) change in their residential status on return to India for permanent settlement and (b) particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the bank with Pin Code number, if not furnished earlier.
- k. If members have more than one folio with the Company in identical order of names, the fact should be intimated to the Company for consolidation into one folio. If further shares are bought by the members, folio number(s) should be mentioned in the forwarding letters to avoid creation of multiple folios.
- l. To support the “Green Initiative”, the Members who have not registered their e-mail addresses are requested to register the same with Registrars/Depositories. All members are requested to register their e-mail addresses for receiving all communication including Annual Report, Notices, Circulars, etc. electronically.
- m. 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 dematerialized form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Registrar and Share Transfer Agents viz. Link Intime India Private Limited.
- n. Pursuant to the provision of Section 72 of the Act, the facility for making nomination is available for the Members in respect of shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No.SH-13. Members holding shares in physical form may submit the same to the Company / Link Intime India Private Limited. Members holding shares in dematerialized form may submit the same to their respective depository participant.
- o. For Members who have not registered their email address with the Company / Depository, the physical copy of the Annual Report for the financial year 2018-19 and Notice of the 98th Annual General Meeting of the Company, *inter alia*, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent through the permitted mode.
- p. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, Companies can serve Annual Report and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant. Members holding shares in physical form, who have not registered their e-mail address with the Company, are requested to submit their request with their valid e-mail address to Company/ Registrar and Share Transfer Agents viz. Link Intime India Private Limited. Members holding shares in dematerialised form are requested to register / update their e-mail address with their Depository Participant directly. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

Accordingly, electronic copy of the Annual Report for the financial year 2018-19 and Notice of the 98th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email address are registered with the Company / Depository for communication purposes unless any Member has requested for a hard copy of the same. Even after registering for e-communication, Members are entitled to receive the same in physical form, upon making a request in this regard, by post at free of cost. For this purpose, the Members may also send requests to the designated e-mail address i.e. dgokhale@dmcc.com.

- q. Voting through electronic means: In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically through the e-voting services provided by the Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.
- r. Copies of the Balance Sheet, Statement of the Profit and Loss, the Director's Report, the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet for the financial year ended March 31, 2019 are annexed / attached.



- s. The Members may also note that the Notice of the 98th Annual General Meeting (AGM) and the Annual Report for 2018-19 will be also available on the website of the Company, www.dmcc.com, which can be downloaded. The physical copies of the documents which are referred in this Notice and not attached will also be available at the registered office of the Company for inspection during normal business hours on working days on or before the date of the AGM. Even after registering for e-communication, the Members are entitled to receive communication in physical form (upon making a request for the same) by post, free of cost.
- t. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.
- u. The Members desiring any information relating to the accounts, are requested to write to the Company at least 7 days before the date of the Annual General Meeting (AGM) so as to enable the Management to keep the information ready and provide at the AGM.

The instructions for shareholders voting electronically are as under:

- (i) **The voting period begins on Tuesday, 17th September, 2019 (9.00 am IST) and ends on Thursday, 19th September, 2019 (5.00 pm IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 11th September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders / Members.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <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 remote 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 the relevant The Dharamsi Morarji Chemical Company 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 login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. 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 e-mailed 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 e-mail to helpdesk.evoting@cdslindia.com.

Other Instructions on e-voting:

- (i) The e-voting period commences on Tuesday, 17th September, 2019 (9.00 am IST) and ends on Thursday, 19th September, 2019 (5.00 pm IST). During this period, Members of the Company, holding shares either in physical form or in electronic form, as on Wednesday, the 11th September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast and confirmed by the Member, he/she shall not be allowed to change it subsequently.
- (ii) The voting rights of the shareholder will be in proportion of their shares as on Wednesday, 11th September, 2019 to the paid up equity share capital of the Company.
- (iii) Provision of electronic voting will not be extended during the AGM, however, those members who have not casted their vote through e-voting will be allowed to vote on poll. Those members who have exercised their



voting through e-voting prior to the meeting may participate in the AGM but will not be entitled to vote on poll during the meeting.

- (iv) Mr. Satish Kumar Jain, proprietor of SKJ and Associates, (ID 81433) Practising Company Secretaries (FCS 6398/PCS 6632), has been appointed as the Scrutinizer to conduct the e-voting process (including the Poll / Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- (v) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witness not in the employment of the Company and submit a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- (vi) The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.dmcc.com and on the website of CDSL www.cdslindia.com within two days of the passing of the resolutions at the Ninety-Eighth AGM of the Company on 20th September, 2019 and communicated to BSE Limited, where the shares of the Company are listed.
- (vii) The route map of the venue of the Meeting is given in the Notice.

By Order of the Board of Directors,
D. T. Gokhale
Company Secretary

Registered Office:

Prospect Chambers,
317/321, Dr. Dadabhoy Naoroji Road,
Fort, Mumbai 400 001.
CIN: L24110MH1919PLC000564
Website: www.dmcc.com
e-mail : dgokhale@dmcc.com
Date: 13th August, 2019.



EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the Act), and Article 89 (2) of the Articles of Association of the Company the following Explanatory Statement sets out all material facts relating to the business mentioned under item No. 5 to 9 of the accompanying Notice dated 13th August, 2019.

Item No. 5

Section 40 of the Companies (Amendment) Act, 2017 has been notified by the Central Government on 7th May, 2018 whereby the first proviso to Section 139(1) of the principal Act relating to ratification of the appointment of the auditors by the members at every annual general meeting during the period of their appointment, has been omitted with effect from that date.

At the 96th Annual General Meeting held on 26th December, 2017, a resolution, being Resolution No.3 was passed for appointment of Rahul Gautam Divan & Associates, Chartered Accountants, as Statutory Auditors of the Company for a term of five years, subject to ratification of the appointment and fixation of remuneration for the relevant year at the Annual General Meeting in each of the subsequent years during the aforesaid term of their appointment. As a result of the amendment of section 139(1) of the Companies Act, 2013, it is no longer necessary in law to have the appointment of the statutory auditor ratified at every annual general meeting. In view thereof, consent of the shareholders is sought to partially modify the said Resolution No.3 passed at the 96th Annual General Meeting as provided in the Resolution and authorize the Board of Directors to ratify the appointment and fix the remuneration for the remaining term of the appointment of Rahul Gautam Divan & Associates, Chartered Accountants, as Statutory Auditors of the Company i.e. for the years 2019-20, 2020-21 and 2021-22.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise, in the resolution. The Resolution at item No.5 of the accompanying Notice is set out as an Ordinary Resolution for approval and ratification by the members.

Item No. 6

Shri Haridas Tricumdas Kapadia

Shri Haridas Tricumdas Kapadia, Director of the Company has wide knowledge in industry, trade, commerce, corporate affairs and international trade. Shri Haridas Tricumdas Kapadia is B.Sc. and Diploma in Chemical Engineering. He has got wide business experience in Fertiliser and Chemical Business.

Based on the Report of the Committee on Corporate Governance chaired by Mr. Uday Kotak, the Securities and Exchange Board of India (SEBI) amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to a "Listing Regulations"). According to the new provisions, a listed entity is required to avail approval of shareholders by way of Special Resolution to appoint or continue the directorship of any Directors who have attained the age of Seventy-five years. The said provision comes into effect from 01st April, 2019. Accordingly, the approval of the shareholders had been obtained at the 97th Annual General Meeting held on 26th day of September, 2018.

The Company has received notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Shri Haridas Tricumdas Kapadia for the office of Independent Director, to be appointed as such under the provision of Section 149 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise, in the resolution. The Resolution at item No.6 of the accompanying Notice is set out as an Ordinary Resolution for approval and ratification by the members.



Item No. 7

Shri Madhu Thakorlal Ankleshwaria

Shri Madhu Thakorlal Ankleshwaria, is B. Com – Practising Chartered Accountant for over three decades and was Head of the Department of “Accountancy” at N. M. College of Commerce & Economics, Vile Parle, West, Mumbai 400 056. He has in-depth knowledge in Finance and Accounting and has been in practice as a Chartered Accountant.

The Company has received notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Shri Madhu Thakorlal Ankleshwaria for the office of Independent Director, to be appointed as such under the provision of Section 149 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise, in the resolution. The Resolution at item No.7 of the accompanying Notice is set out as an Ordinary Resolution for approval and ratification by the members.

Item No. 8

Shri Arvind Wasudeo Ketkar

Shri Arvind Wasudeo Ketkar is B. Com. (Hons), A.C.A. – Practising Chartered Account for over forty years and has in-depth knowledge in Finance and Accounting.

Based on the Report of the Committee on Corporate Governance chaired by Mr. Uday Kotak, the Securities and Exchange Board of India (SEBI) amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(hereinafter referred to as “Listing Regulations”). According to the new provisions, a listed entity is required to avail approval of shareholders by way of Special Resolution to appoint or continue the directorship of any Directors who have attained the age of Seventy-five years. The said provision comes into effect from 01st April, 2019. Accordingly, the approval of the shareholders had been obtained at the 97th Annual General Meeting held on 26th day of September, 2018.

The Company has received notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Shri Arvind Wasudeo Ketkar for the office of Independent Director, to be appointed as such under the provision of Section 149 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise, in the resolution. The Resolution at item No.8 of the accompanying Notice is set out as an Ordinary Resolution for approval and ratification by the members.

Item No. 9

Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee of Directors, the Board of Directors has approved the re-appointment of CMA Shri. S. S. Dongare holding ICWA Registration No. 12521, as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2018-19, at a remuneration of ₹ 66,000/- (Rupees Sixty Six thousands only) plus taxes and actual out-of-pocket expenses.

CMA Shri. S. S. Dongare has furnished a certificate regarding his eligibility for appointment as Cost Auditors of the Company. He has vast experience in the field of cost audit and has conducted the audit of the cost records of the Company for the previous year under the provisions of the Act.

The Board recommends the Resolution at Item No. 9 of the accompanying Notice for ratification of the Cost Auditors remuneration by the Members of the Company.

None of the Directors, Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested (financially or otherwise) in the Resolution at Item No. 9 the accompanying Notice.



Details of the Directors and Manager seeking appointment/re-appointment at the forthcoming Annual General Meeting:

(Pursuant to Clause 49 of the Listing Agreement and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of the Director	Ms Mitika Laxmikumar Goculdas	Shri Haridas Tricumdas Kapadia	Shri Madhu Thakorlal Ankleshwaria	Shri Arvind Wasudeo Ketkar
Director Identification Number (DIN)	02879174	00125090	02753794	02863429
Date of Birth	11.08.1972	17.02.1935	23.08.1949	14.05.1940
Date of Appointment on the Board	04.11.2011	06.10.1978	30.07.2009	22.01.2010
Qualification/Expertise in specific functional areas	MBA (Finance) from Pennsylvania State University, USA	B.Sc. Diploma in Chemical Engineering, Wide Business experience in Fertiliser and Chemical Industries	B. Com (Hons), F.C.A. Practising Chartered Account for over three decades. Ex-Head of the Department of Accountancy at N.M. College of Commerce & Economics, Vile Parle, West, Mumbai 400 056	B. Com (Hons), A.C.A.- Practising Chartered Accountant for over forty years.
Directorship held in other companies (excluding foreign companies)	Gocul Gas Pvt. Ltd. Kosan Industries Pvt. Ltd. L.P. Gas Equipment Pvt. Ltd. L.P. Gas Transport & Bottling Co. Pvt. Ltd. Bombay Foods Pvt. Ltd. Phoenix Distributors Pvt. Ltd. Natural Gas Co. Pvt. Ltd. Autogas Conversion (India) Pvt. Ltd. B.S. and Service Pvt. Ltd. Phoenix Distributors Gas Agencies Bhopal Pvt. Ltd. B S and Services Gas Agencies Bhopal Pvt. Ltd. Jasraj Trading Co. Pvt. Ltd. Falcon Chemicals LLC, Dubai	L.P. Gas Equipments Pvt. Ltd.	Nil	Nil
Committee position held in other Committee	Nil	None	None	None
Shareholding	Nil	11107	225	324
Relationship between Directors interse	Yes, Daughter of Chairman	No	No	No

By Order of the Board of Directors,
D. T. Gokhale
 Company Secretary

Registered Office:

Prospect Chambers,
 317/321, Dr. Dadabhoy Naoroji Road,
 Fort, Mumbai 400 001.
 CIN: L24110MH1919PLC000564
 Website: www.dmcc.com
 e-mail : dgokhale@dmcc.com
 Date: 13th August, 2019.

**DIRECTORS' REPORT****(Including Management Discussion and Analysis Report)**

The Directors' are pleased to present their Ninety Eighth Annual Report together with the audited financial statements of the Company for the financial year ended 31st March, 2019.

FINANCIAL RESULTS

Rs. in lakhs

	Financial Year ended 31 st March, 2019	Financial Year ended 31 st March, 2018
Sales Turnover	23162.71	17,688.82
Gross Profit	5160.91	1,976.61
Less : Depreciation	450.53	418.63
Profit before taxation	4710.38	1,557.98
Less : Provision for Taxation (MAT)	1010.00	348.92
Add: MAT Credit Entitlement	908.78	-
Add: Tax impact due to OCI	3.35	(16.78)
Profit after Taxation	4605.81	1,225.82
Add : Other Comprehensive income	(12.19)	61.71
Total Comprehensive Income	4593.62	1,287.53
The following is the Sales Turnover:		
Chemicals	23088.88	17281.65
Others	73.83	407.17
Total	23162.71	17,688.82

The Financial results for the year ended 31st March, 2019 are in compliance with the Indian Accounting Standards (Ind-AS) and accordingly the results for the year ended 31st March, 2018 have been re-stated. There has been no material change which have occurred between end of the Financial year 2018-19 and the date of this report.

Performance

Sales turnover has increased by 30.95% i.e Rs.5473.89 Lakhs mainly due to higher volume and increase in the market prices as well as introduction of new products, resulting in higher profit (Before Taxation) of Rs.4710.38 Lakhs. During the year, the Company has taken credit of MAT entitlement of Rs.908.78 Lakhs as the Management is confident of payment of Normal tax in the foreseeable future.

Dividend

The Board of Directors have recommended that the interim dividend of Rs. 0.50 per equity share (face value of Rs. 10/- each) declared on 07.12.2018 and already paid to shareholders on 3rd January 2019, be considered as final dividend for the financial year ended 31st March 2019, subject to approval of the Shareholders at the 98th Annual General Meeting (AGM), scheduled to be held on Friday the 20th September 2019. This Interim Dividend had absorbed Rs.124.70 Lakhs and the Dividend Distribution Tax borne by the Company is Rs.25.39 Lakhs.

The Board of Directors have recommended a preference dividend @ 2.5% on 2,80,000 cumulative, non-convertible redeemable preference shares of Rs.100/- each, aggregating to Rs.2.80 Crores. This Preference Dividend will absorb Rs.7.00 Lakhs and the Company will bear Dividend Distribution Tax of Rs.1.44 Lakhs.

In addition, the Board of Directors have recommended a 'Special Centenary Year (1919 to 2019)' Dividend of Rs.1/- per equity share, subject to approval of the Shareholders at the 98th Annual General Meeting (AGM), scheduled to be held on Friday, the 20th September 2019. This Dividend will absorb Rs.249.40 Lakhs and the Company will bear Dividend Distribution Tax of Rs.51.26 Lakhs.



OVERVIEW OF OPERATIONS AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT INCLUDING PROSPECTS IN THE INDUSTRY

Global & Indian Chemical industry perspective

The Chemical Industry is very important and critical for economic development of any country, particularly for the developing country like India. Chemical Industry provides products and technological support to almost all the sectors of economy. With the growing contribution of Asian countries to the global chemical industry, India is becoming one of the alternative source for the chemical industry worldwide. Focused growth with environmental compliance will enhance the global competitiveness of Indian Chemical Industry.

With increased emphasis of Government of India on the infrastructure i.e. building of roads, railways, electricity, water, the Indian Chemical Industry is expected to outperform the growth of the global chemical industry, though, the present share of India in global chemical market is around 5% only. In the present economic climate, while China has grown in chemical sector, the rate of growth of chemical industry in china may slow down for various reasons such as Environmental awareness and sustainability. The Specialty Chemicals segment in India, which is typically lower in volume and higher in value and less dependent on infrastructure, is poised to grow at higher rate. In this scenario, the Govt. of India needs to adopt a realistic and pragmatic approach on issues of environmental clearances and sustainability to ensure that these do not take an unduly long time, while ensuring environmental protection.

The Chemical Industry in USA, European countries, Japan are looking for true alternative like India due to disruption of supply of chemicals from China. The increased cost of Environment, Safety and Health at China may erode the competitive edge of China and may offer opportunity for India as main alternative to China, particularly in Specialty Chemical Segment of the chemical industry. However, the Indian Chemical Industry should continue its emphasis on compliance for Health, Safety and Environment in a rigorous manner as to have sustainable development of chemical industry in India, else they may also face similar issues like China.

In the foregoing background, your company is emerging as an important specialty chemical company in India with technological expertise in Sulphur and Ethanol chemistry. Your Company is also making effort in development of its portfolio by way of adding manufacture of new specialty chemicals for pharmaceutical and agricultural industry with support from In-house Research & Development. The Management of your company have also taken initiative to offer custom manufacturing services from Multipurpose Plants both at Roha and Dahej and is continuing to explore opportunities for manufacturing of some new specialty chemicals. Your Company, with in-house availability of good raw materials, coupled with commitment for HSE (Health, Safety & Environment) is poised and emerging as a cost effective facility for custom manufacturing services for new products and processes. The ability of the Company to handle hazardous chemicals safely and responsibly has resulted in your company becoming a Prime Supplier in its area of operation.

The Research and Development Laboratory at Roha which has been recognized by Government of India, has given an impetus to development of new products and processes in Boron Chemical Business as well at Dahej.

Your Company, continues to offer, though on moderate scale, the services for distinct packages, programs, consisting of planning, execution and commissioning of plants to manufacture Sulphuric Acid and Oleum etc.

The Company is planning to set up a Sulphuric Acid Plant at Dahej, which would be a backward integration. The Management will approach shareholders in course of time, with details of this project for their information and support. Being a chemical Hub, the Dahej unit is expected to reap locational advantages with respect to sourcing of materials as well as catering to the demands of the customers based in the vicinity. Your Company will also invest in dedicated and multipurpose, mainly at the Dahej.

Futuristic Approach

Ensuring development of sustainable, green solutions in the fields of water treatment, food production and healthcare are the key challenges for the future. Fueled by an increasing focus of industry on improving its image, these trends are shaping the priorities for R&D in the field of chemistry. DMCC has core competence in Sulphur, ethanol, and boron chemistry. New products launched will be based on this. The emphasis for product selection will be on profitability, not just turnover. DMCC will focus its expansion at the Dahej site. Your company will also invest at Roha for debottlenecking existing plants, improving energy recovery and changing the mix of products.



Cautionary Statement

Statements in this “Management Discussion and Analysis Report” describing the Company’s objectives, projections, estimates, expectations or predictions may be considered as “forward looking statements” within the meaning of applicable security laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

ADEQUACY OF INTERNAL CONTROLS

Your Company has well laid down policies, guidelines and procedures which form part of its internal control system. The Audit Committee of the Board periodically reviews reports of Internal Auditors, *inter alia*, on adherence by the operating Management of such policies and procedures and suggests changes/modifications and improvements on a continuous basis. The Company has an independent and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposal and the transactions are authorised, recorded and reported correctly. The internal control systems are supplemented by a programme of internal audit.

HUMAN RESOURCE DEVELOPMENT

As part of ongoing exercise of the restructuring and re- organisation of the Company’s business, the Company undertakes periodic comprehensive reviews of its HR policies and amends the same suitably from time to time, to meet the emerging business requirements. Special emphasis is being led continually on recruitment of multi -disciplinary and experienced staff to carry forward the growth objectives of the Company. Regular training programmes are being held for the benefit of the staff and the workmen. Your Company believes in a collaborative approach and works closely with the unions, and Industrial relations have been cordial all along.

BOARD EVALUATION

The board of directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Companies Act, 2013 (the Act) and the corporate governance requirements as prescribed by Securities and Exchange Board of India (“ SEBI ”) under Clause 49 of the Listing Agreement.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning etc.

The Board and the Nomination and Remuneration Committee (“NRC”) reviewed the performance of the “Managing Director, and Chief Executive Officer” of the Company.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Non – Executive Chairman was evaluated, taking into account the views of non-executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performances of the Board, its committees and individual Directors were also discussed.

NOMINATION AND REMUNERATION POLICY

The Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and other employees have evolved and have been formulated in terms of the provisions of the Companies Act, 2013 and the listing agreement with a view to pay equitable and commensurate remuneration to the Directors, Key Managerial Personnel and other Employees of the Company, based on the Qualification, experience and industry standard.

In view of the improved performance of Your Company as well as taking into considerations the contribution of the Board of Directors Individually and collectively towards the business developments of the Company in the policy planning and strategy formation for the growth of the Company, in accordance with the approval of the Shareholders of the company obtained at the 97th Annual General Meeting of the Company the Non- Executive Directors have been rewarded by way of payment of commission to them upto 1% of the net profits of the Company, calculated in accordance with the relevant provisions of the Companies act, 2013 .

The Board of Directors and the Nomination and Remuneration Committee of the Company has taken into consideration various applicable factors such as qualification, experience, industry standards etc. and evolved an appropriate Remuneration policy ,in accordance with which the “Managing Director ,and Chief Executive Officer” of the Company have also been rewarded upto 1% of the net profits of the Company, calculated in accordance with the relevant



provisions of the Companies act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

The Company has not provided any loan to any person or body corporate or given any guarantee or provided security in connection with such loan or made any investment in the securities of anybody corporate pursuant to Section 186 of the Companies Act, 2013. The Company has given advance against salary to some employees in terms of the applicable policies of the Company.

SEXUAL HARASSMENT

The company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not receive any complain during the year 2018-19.

INSURANCE

The Company has taken adequate Insurance to cover the risks to its employees, property (land and buildings), plant, equipment, other assets and third parties .

MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year six Board Meetings and four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

AUDIT COMMITTEE

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

DIRECTORS/KEY MANAGEMENT PERSONNEL

Ms. Mitika Laxmikummar Goculdas

Ms. Mitika Laxmikummar Goculdas (Holding DIN 02879174), Director is retiring by rotation in accordance with the requirements of the Act and under the Article 135 of the Articles of Association of the Company, and being eligible, offer herself for re-appointment.

INDEPENDENT DIRECTORS

The Company had, pursuant to the provisions of the Listing Agreement entered into with Stock Exchange viz. BSE Limited, and with the approval obtained from the Shareholders at the 93rd Annual General Meeting of the company held on 18th September, 2014 appointed Shri Haridas Tricumdas Kapadia, Shri Madhu Thakorlal Ankleshwaria, Shri Arvind Wasudeo Ketkar as Independent Directors of the Company for a period of five years commencing from 18th September, 2014 and ending on 17th September, 2019.

According to the new provisions, a listed entity is required to avail approval of shareholders by way of Special Resolution to appoint or continue the directorship of any Directors who have attained the age of seventy-five years. Accordingly the said approval of the Shareholders has been obtained at the 97th Annual General Meeting for the continuation of directorship of all Shri Haridas Tricumdas Kapadia, Shri Madhu Thakorlal Ankleshwaria, Shri Arvind Wasudeo Ketkar as Independent Directors of the Company and Shri Laxmikummar Narottam Goculdas, the Non-Executive Promoter Chairman of the Company.

The Company has since received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013. During the year, the non-executive Directors of the Company had no pecuniary relationship or transactions with the Company.

In accordance with the provisions of Section 149(4) and proviso to Section 152(5) of the Companies Act, 2013:

Shri Haridas Tricumdas Kapadia (Director of the company has wide knowledge and experience in industry, trade, commerce, corporate affairs and International Trade. He is B.Sc. and Diploma in Chemical Engineering), Shri Arvind



Wasudeo Ketkar (Director of the Company is B.Com (Hons), A.C.A., Practising Chartered Accountant for over 44 Years and has indepth knowledge in finance and accounting), Shri Madhu Thakorlal Ankleshwaria (Director of the Company is B.Com. (Hons.), F.C.A.- Practising Chartered Accountant for over three decades and was Head of the Department of "Accountancy" at N.M. College of Commerce & Economics, Vile Parle, West, Mumbai 400 056. He has in-depth knowledge in Finance and Accounting and has been in practice as a Chartered Accountant) these Directors are being re-appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting i.e. 98th Annual General Meeting of the Company.

The Company continues its operations under the leadership of the Senior Corporate Management Team comprising of Shri Bimal Lalitsingh Goculdas, Managing Director, & Chief Executive Officer, Shri D.T. Gokhale, Sr. Executive Vice President and Company Secretary and Shri Chirag J. Shah, Chief Finance Officer.

WHISTLE BLOWER POLICY

The Company has a whistle blower policy to report genuine concerns or grievances. The Whistle Blower policy has been posted on the website of the Company (www.dmcc.com).

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year under review were at arm's length basis and were in the ordinary course of business.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The Audit Committee and the Board of Directors at their meetings have reviewed and approved all the related party transactions undertaken by the Company during the Financial Year. The related party transactions entered into by the Company are disclosed in Note no. 42 of the Notes to Accounts. All Related Party Transactions are placed/routed through the Audit Committee and the Board of Directors. None of the Directors has any pecuniary relationships or transactions with the Company.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

RISK MANAGEMENT POLICY

The Company has formulated a Risk Management Policy which reflects the overall risk management philosophy, the Company's overall approach to risk management, risk assessment, risk mitigation mechanism and the roll and responsibilities for risk management. Risk management forms an integral part of the business planning and review cycle. The Company's Risk Management Policy is designed to provide reasonable assurance that objectives are met by integrating management control into the daily operations, by ensuring compliance with legal requirements and by safe guarding the integrity of the Company's financial reporting and its related disclosures.

The identification and analysis of and putting in place the process for mitigation of these risks is an ongoing process. The Company has also laid down procedure to inform the Audit Committee and the Board about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks by means of a properly defined frame work. The monthly review meetings of all the functional/ departmental heads *inter alia* discuss the relative risk management issues.

INSIDER TRADING

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulation 2015 and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a code of conduct to Regulate, Monitor and Report Trading by Insiders ('Insider Trading Code') and code of Practices and Procedures for Fair Disclosure of unpublished Price Sensitive Information ('Code of Fair Disclosure').

The Insider Trading Code is intended to prevent misuse of unpublished price sensitive information by insiders and connected persons and ensure that the Directors and specified persons of the Company and their dependents shall not derive any benefit or assist others to derive any benefit from access to and possession of price sensitive information about the Company which is not in the public domain, that is to say, insider information.

The code of Fair Disclosure ensures that the affairs of the Company are managed in a fair, transparent and ethical manner keeping in view the need and interest of all the Stakeholders.

ENVIRONMENT HEALTH AND SAFETY (EHS)

The prime endeavor of our Management is to achieve Environment Health and Safety (EHS). The Company has



its Environment Health and Safety (EHS) policy. Your Company has various EHS management processes and methodologies being deployed and implemented under the EHS to ensure that our employees become more safety conscious. The Company has a system of in-house EHS training for employees and workmen at the factory as also the practice of sending the employees/workmen to various external EHS programmes. The EHS management process at both the locations viz. Roha and Dahej are administered by qualified professionals.

RESPONSIBLE CARE®

Responsible care® is a global voluntary initiative of the Chemical Industry, the objective of which is continuous improvement in the areas of environmental protection, health, safety and security. The Company has a Responsible Care Policy. It is the endeavor of your Company that our products - both raw material and finished goods pose no risk to employees, society and environment as well. This is sought to be achieved by minimizing the negative influence of our products along the entire supply chain, right from procurement, storage and manufacturing right upto sale. Your Company is one of the few in India authorized to use the Responsible care® logo. This has been achieved after extensive site and systems component, third party mentoring, and a series of audits. Logo usage validity for the Company from March 2019 to February 2023, renewable thereafter.

INHOUSE R & D UNIT – Registration

Your Company has its own, modern and well equipped Research and Development Laboratory located at its factory at Roha. This in-house R & D Laboratory is a recognised Research Institution by the Department of Science & Technology, Department of Scientific and Industrial Research, Government of India, New Delhi.

TOGETHER FOR SUSTAINABILITY®

The TFS Audit was carried out under the stipulations made by a Group of EU based major Pharmaceutical companies. This will enable and has enabled the Company for obtaining expeditious approval for the products sold/to be sold in Europe market.

ISO CERTIFICATION

The Company enjoys ISO 9000:2015 Certification for manufacture of various Chemicals at Roha, Dist. Raigarh in the State of Maharashtra. The Company has also endeavouring to obtain similar ISO Certification for the operations at Dahej in course of time.

REACH

REACH regulation is adopted by the European Union to improve protection of human health and environment from the risks of that can be posed by the Chemicals. REACH stand for Registration, Evaluation, and Authorisation of all Chemical Substances. Borax Morarji (Europe) GmbH has registered several products under the REACH Regulations and with merger of BML with DMCC, your company continues to take advantage of this registration.

AUDITORS

In the 96th Annual General Meeting (AGM) held on 26th day of December, 2017 Messrs Rahul Gautam Divan & Associates (RGD & Associates), Chartered Accountants (ICAI Firm Registration No.120294W), were appointed as Statutory Auditors of the Company for a tenure of five years subject to ratification of their appointment at every subsequent AGM. The Ministry of Corporate Affairs has vide notification dated May 7, 2018 obliterated the requirement of seeking Member's ratification at every AGM on appointment of Statutory Auditor during their tenure of five years.

Messrs Rahul Gautam Divan & Associates (RGD & Associates), Chartered Accountants (ICAI Firm Registration No.120294W), have under Section 139(1) of the Act and the Rules framed thereunder furnished a certificate of their eligibility.

The report of the Statutory Auditor forming part of the Annual Report, does not contain any qualification, reservation, adverse remark or disclaimer. The observations made in the Auditor's Report are self-explanatory and therefore do not call for any further comments.

Rahul Gautam Divan & Associates is a member of Kreston International, a worldwide network of accounting firms, offering high quality accounting, auditing, legal and consultancy services. The combined experience of the partners in the chartered accountancy profession within the associated firms is over 50 years. RGD & Associates have associated offices in Bangalore and Ahmedabad, with residential partners at both associated offices. RGD & Associates have been involved in the Statutory Audits and also Internal Audits of various companies, and have the necessary experience to conduct the statutory audit of the Company. RGD & Associates have consented to the



said appointment and confirmed that their appointment, if made, would be in accordance with Section 139 read with Section 141 of the Act.

COST AUDITOR AND COST AUDIT REPORT

The Board of Directors, on the recommendation of Audit Committee has appointed Shri S.S. Dongare, Cost Accountant, as Cost Auditor of your Company to audit the cost accounts of the Company for Financial Year 2019-20 at remuneration of ₹ 66,000/- (Rupees Sixty Six Thousand Only) as also the payment of taxes as applicable and re-imbursement of actual out-of-pocket expenses incurred in connection with the aforesaid audit. As required under the Companies act, 2013, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting. In accordance with the requirement of the Central Government and 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, your Company carries out an audit of cost records (Sulphuric Acid) maintained by the Company every year.

The Cost Audit Report and the Compliance Report of your Company for the Financial Year ended 31st March, 2018, by Shri S.S. Dongare, Cost Accountant, which was due for filing with the Ministry of Corporate Affairs, was duly filed on 01st November, 2018.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure I".

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

A Corporate Social Responsibility Committee of the Directors was constituted earlier consisting of Ms. Mitika Laxmikumar Goculdas as Chairman, Shri H. T. Kapadia, Shri M. T. Ankleshwaria and Shri A. W. Ketkar as members of the Committee.

The Committee met once during the year and due to the average net profit of last three years being negative, your Company is not required to spend any amount towards Corporate Social Responsibility activities during the year under review, the report is annexed herewith as "Annexure II". However, Directors placed with pleasure on record that the Company donated an amount of Rs.10.00 Lakhs to Corbet Foundation. The Company has also financially supported a High School at Roha.

STUDENTS FROM NAGALAND

As a part of its Social Commitment the Company has recruited 6 young students (B.Sc. Chemistry) both boys and girls – 4 boys and 2 girls as Trainees so that they can become employable at the place of their choice.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed Shri Satish Kumar Jain, Proprietor of SKJ & Associates, Practising Company Secretaries (FCS 6398/PCS 6632), has been appointed to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as "Annexure III" and forms integral part of this Report.

There is no qualification in the report of Secretarial Auditor, for the year under review.

PARTICULARS OF EMPLOYEES

The particulars of employees as required under section 197 and rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have not been furnished as there are no employees falling within the purview of the provisions of said section and the said rule during the period under review.

Information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in "Annexure IV" to this Report.

SUBSIDIARY COMPANY

Borax Morarji (Europe) GmbH is a 100% wholly owned subsidiary Company in Germany. Primarily it takes care of complying with the German Regulations for exports of Specialty Boron products to Germany and Europe.



In terms of exemption granted by the Ministry of Corporate Affairs vide its order No. 2/2011 dated 8th February, 2011 Balance Sheet of Borax Morarji (Europe) GmbH, Germany is not attached to the accounts of the Company. However, the annual accounts of the subsidiary are available for inspection at the office of the Company and the related detailed information will be made available to the Shareholders when asked for.

CONSOLIDATION OF ACCOUNTS

In pursuance of the mandatory compliance of the Accounting Standard 21, as issued by the Institute of Chartered Accountants of India, the Company has presented Consolidated Financial Statements for the year under report, consolidating its accounts with the accounts of its Wholly Owned Subsidiary Company, viz. Borax Morarji (Europe) GmbH, Germany (Change of name under process). A separate report of the Statutory Auditor on the consolidated Financial Statements also forms part of the same.

PUBLIC DEPOSITS

During the year 2018-19, your Company has not accepted/renewed any fixed deposit. (Post Merger of BML with your Company) the unclaimed matured deposits as on 31.03.2018 were Rs.28.62 Lakhs. During the year 2018-19, the Company duly repaid Rs.27.02 Lakhs. As on 31.03.2019 the unclaimed matured deposits is Rs.1.60 Lakhs.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost, external Auditor and Secretarial Auditor, including audit of internal financial controls, over the financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year ended 31st March, 2019. Accordingly, to the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(5) of the Companies Act, 2013:

- (i) that in the preparation of the Annual Accounts for the year ended March 31, 2019, the applicable Accounting Standards have been followed and that there are no material departures;
- (ii) 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 as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the annual accounts have been prepared on a going concern basis;
- (v) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CORPORATE GOVERNANCE

Your Company has been practicing the principles of good Corporate Governance over the years and the Board of Directors lay strong emphasis on transparency, accountability and integrity. Your Company has adopted a Code of Conduct which is approved by the Board of Directors as required under the Listing Agreement with the BSE Limited, Mumbai. The Directors and the Management Staff have confirmed their adherence to the provisions of the said code. A separate report on Corporate Governance is annexed as a part of the Annual Report, along with the Auditors' Certificate on its compliance.

EXTRACT OF ANNUAL RETURN

As per the provisions of Section 92(3) of the Act an extract of the Annual Return in Form MGT -9 is provided in Annexure 'V' to this Board Report. The Annual Return is also available on the website of the Company <http://www.dmcc.com>.



EQUITY SHARE CAPITAL

As on 31st March, 2019, the issued, subscribed and paid up share capital of your Company stood at Rs. 249399330/- (Rupees Twenty Four Crores Ninety Three Lacs Ninety Nine Thousand Three Hundred Thirty Only), comprising of 24939933 Equity shares of Rs.10/- each.

The Company has neither not issued shares with differential voting rights nor granted any stock options or is sue any sweat equity or issued any Bonus Shares. Further, the Company has not bought back any of its securities during the year under review and hence no details /information invited in this respect.

PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of Section 178 of the Act, read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR), the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

In line with effective governance requirements, the Board reviews its own performance annually using a pre-determined template designed as a tool to facilitate the evaluation process. The assessment was built around the functioning of the Board as a whole, its Committees and also the evaluation of Individual Directors.

While the individual directors' performance was reviewed by the Chairman and the rest of the Board excluding the Director being evaluated, the Chairman's and Non-independent Directors performance was appraised through feedback from Independent Directors.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments, affecting the financial position of the Company which has occurred from the end of financial year i.e. March 31, 2019 to the date of Directors Report.

DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

During the year under review there was no such orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

ACKNOWLEDGEMENTS

The Directors are thankful to your Company's shareholders, customers, suppliers, and contractors, various departments of Central and State Governments and Banks for their continued valuable support. The relations between the employees and the management continue to be cordial. Your Directors place on record their appreciation of the sincere and devoted efforts of the employees at all levels and their continued co-operation and commitment.

For and on behalf of the Board
LAXMIKUMAR NAROTTAM GOCULDAS
Chairman

Registered Office

Prospect Chambers, 317/321,
Dr. Dadabhoy Naoroji Road, Fort,
Mumbai 400 001.

Date : 13 August, 2019



ANNEXURE I TO THE DIRECTORS' REPORT

DISCLOSURES

A. CONSERVATION OF ENERGY FORM A POWER AND FUEL CONSUMPTION

		April, 2018 to March, 2019	April, 2017 to March, 2018
1	Electricity Purchased		
	Unit (Lac KWH)	79.93	71.17
	Total Amount (₹ Lakhs)	697.26	593.26
	Rate/Unit (₹/KWH)	8.72	8.34
2	Furnace Oil		
	Quantity (K. Litre)	126.00	72.77
	Total Amount (₹ Lakhs)	45.79	18.83
	Average Rate (₹/KL)	36,341	25,871
	Consumption per Tonne of Major Products		
	Electricity (Unit – KWH)	-	-
1	Single Superphosphate	-	-
2	Sulphuric Acid 100%	51	51

FORM B

B. TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which R & D is carried out by the Company :

The Company has an R & D Centre which is approved by the Department of Scientific & Industrial Research, Govt. of India, New Delhi.

Areas in which R & D activity was carried out includes:

- Process and cost optimization of existing Speciality Chemicals so as to be competitive in the domestic and international market.
- Development of the processes for making value added products to cater to the need of local and export market.
- Technical support to Marketing efforts for launching new products and for trouble shooting of existing products.

2. Benefits derived as a result of the above R & D

- Quality and yield improvement of the existing products
- Manufacture and supply of some of the products as per the customers specifications.

3. Future plan of action:

- Studies on the preparation of new Speciality Chemicals and formulations with special emphasis on value addition.
- Focus on ethylation & sulphonation Chemistry to develop new products.

4. Expenditure on R & D

		April, 2018 to March, 2019	April, 2017 to March, 2018
(i)	Capital	-	-
(ii)	Recurring	161.98	135.77
(iii)	Total	161.98	135.77
(iv)	Total R & D expenditure as a percentage of sales turnover	0.70%	0.77%



TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation

Technology upgradation and innovation are matters of a continuous process in the Company.

2. Benefits

Increased capacity, cost reduction, improvement in quantity and flexibility to meet market demands.

3. Technology imported during the last five years.

No technology was imported during the last five years.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars of foreign exchange earned/utilized are as under.

	April, 2018 to March, 2019	April, 2017 to March, 2018
EARNINGS IN FOREIGN EXCHANGE:		
Export of goods calculated on FOB basis	7490.68	4898.47
Total Foreign Exchange earned	7490.68	4898.47
OUTGO IN FOREIGN EXCHANGE:		
(1) VALUE OF IMPORTS CALCULATED ON CIF BASIS		
Raw Materials and bought outs	1812.88	1429.58
(2) EXPENDITURE IN FOREIGN CURRENCY	146.36	183.16
ON ACCOUNT OF FOREIGN TOURS, SUBSCRIPTION, ETC.		
Total Foreign Exchange outgo	1959.24	1612.74

For and on behalf of the Board
LAXMIKUMAR NAROTTAM GOCULDAS
Chairman

Registered Office:

Prospect Chambers,
317/321, Dr. Dadabhoy Naoroji Road,
Fort, Mumbai 400 001
13th August, 2019.



ANNEXURE II TO THE DIRECTORS' REPORT

The composition and the functions of the Company's Corporate Social Responsibility (CSR) Committee as contemplated as per Section 135 of the Companies Act, 2013 is as under:

The Company has formed CSR Committee comprising of the following Directors:

Ms Mitika Laxmikumar Goculdas, Chairman

Shri Haridas Tricumdas Kapadia, Member

Shri Madhu Thakorlal Ankleshwaria, Member

Shri Arvind Wasudeo Ketkar, Member

The Committee recognizes that its operations impact a wide community of stakeholders, including investors, employees, customers, business associates and local communities and that appropriate attention to the fulfillment of its corporate social responsibilities can enhance overall performance. In structuring its approach to the various aspects of Corporate Social Responsibility, the Company takes into account guidelines and statements issued by stakeholder representatives and other regulatory bodies.

The functions of the said CSR Committee are as under:

- 1) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.
- 2) Recommend the amount of expenditure to be incurred on the activities referred to in point no (1) above; and
- 3) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Board of the Company shall approve the CSR and disclose the contents of such policy in its report and place the CSR Policy in the Company's website, if any. The Board shall also ensure that the activities included in CSR policy are undertaken by the Company.

The Board shall ensure that Company spends, in every financial year on CSR, 2% of the average net profits of the Company during the three immediately preceding financial years.

Due to the average net profits of last three years being negative, your Company is not required to spend any amount towards Corporate Social Responsibility activities during the year under review.



ANNEXURE III TO THE DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

(For the Financial Year ended 31st March, 2019)

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

To
The Members,
The Dharamsi Morarji Chemical Company Limited
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **The Dharamsi Morarji Chemical Company Limited** (CIN: L24110MH1919PLC000564) having its registered office at Prospect Chambers 317/21D N Road Fort, Mumbai – 400 001 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

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

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009(Not Applicable as the Company has not issued any further capital under the regulations during the period under review);
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable as the Company does not have ESOP Scheme/ shares);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable as the Company has not issued & listed Debt Securities);
 - 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 as the Company has not delisted /proposed to delist its equity shares from stock exchange during the financial year under review); and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable as the Company has not bought back / proposed to buyback any of its securities during the financial year under review);
6. The Company has identified the following laws as specifically applicable to the Company:
- i. Factories Act, 1948
 - ii. Payment of Gratuity Act 1972
 - iii. Payment of Wages Act, 1936
 - iv. Minimum Wages Act, 1947
 - v. Employee's Provident Funds & Miscellaneous Provisions Act, 1952 and Rules made there under
 - vi. Payment of Bonus Act, 1965
 - vii. Employee's State Insurance Act, 1948
 - viii. Contract Labour (Regulations & Abolition) Act, 1970
 - ix. The Maternity Benefits Act, 1961
 - x. The Bombay Shops & Establishment Act, 1948
 - xi. Customs Act 1952
 - xii. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 - xiii. Industrial Employment (Standing Order) Act, 1946

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- ii. The Listing Agreements entered into by the Company with BSE Limited read with 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, Standards, etc. as 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.

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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.

There are no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company's Affairs.

For SKJ & Associates
 Company Secretaries
SATISH KUMAR JAIN
 Proprietor
 (FCS :6398/PCS:6632)

Place: Mumbai
 Date: 15.07.2019

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



ANNEXURE A

To,

The Members,

The Dharamsi Morarji Chemical Company Limited

Prospect Chambers 317/21D N Road,

Fort, Mumbai – 400 001

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

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. 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 obtained reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records, we believe that the processes and practices, we followed provide are reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company. We relied on the statutory report provided by the Statutory Auditor of the Company for the financial year ending 31st March, 2019.
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 provision 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 reports neither an assurance as to the future liability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For SKJ & Associates
Company Secretaries

SATISH KUMAR JAIN
Proprietor
(FCS :6398/PCS:6632)

Place: Mumbai
Date:15.07.2019



ANNEXURE IV TO THE DIRECTORS' REPORT

REMUNERATION DETAILS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

1. Remuneration paid to the Directors:

- a) The Board of Directors of the Company consists of Two Promoter (Non Executive) Directors, five Independent (Non-Executive) Directors and one executive Director (Managing Director, and Chief Executive Officer).

All the Directors (except the Executive Director who receive remuneration from the company) do not receive any remuneration from the Company other than Commission and sitting fees for their attendance in the meeting.

Remuneration to Directors

Details of remuneration (SITTING FEES FOR MEETINGS) paid to non-executive directors during the financial year ended 31st March, 2019 are as below:

Sr No	Name of Directors	Board Meeting	Audit Committee Meeting	Nomination and Remuneration Committee Meeting	Independent Directors Committee Meeting	Corporate Social responsibility Committee Meeting	Commission	Total	Ratio of Remuneration of Director to the median remuneration
1	Shri Laxmikumar Narottam Goculdas	125000	75000	Nil	Nil	Nil	511000	711000	2.18
2	Shri H. T. Kapadia	150000	100000	25000	25000	25000	171000	496000	1.52
3	Shri M. T. Ankleshwaria	150000	100000	25000	25000	25000	171000	496000	1.52
4	Shri A. W. Ketkar	150000	Nil	25000	25000	25000	171000	396000	1.22
5	Ms Mitika L. Goculdas	100000	Nil	Nil	Nil	25000	171000	296000	(0.91)
6	Shri Mukul Manoharlal Taly	125000	Nil	Nil	25000	Nil	17000	167000	(0.51)
7	Shri Sanjeev Vishwanath Joshi	150000	Nil	Nil	25000	Nil	17000	192000	(0.59)
	Total	950000	275000	75000	125000	100000	1229000	2754000	
			Salary	Contribution to PF & Superannuation Fund			Perquisites	Total	
8	Shri Bimal Lalitsingh Goculdas		13298750		819000		787125	14904875	45.77 **
	Total		13298750		819000		787125	14904875	

** Including leave encashment Rs.60,98,750/- paid during the year.

Median remuneration for the financial year 2018-19 is Rs.325657 (Rs. Three lakhs twenty five thousand six hundred fifty seven only).

The aforesaid details are calculated on the basis of remuneration for the financial year 2018-19.

The remuneration of Directors (Sr.No.1 to 7) includes only sitting fees and Commission since no other payment was made to them during the financial year 2018-19.

2. Percentage increase in remuneration of Managing Director, & Chief Executive Officer, Company Secretary and Chief Finance Officer of the Company during the financial year ended 31st March, 2019 are as below:

The percentage increase in the remuneration of the Chief Executive Officer of the company during the financial year ended 31st March, 2019 is 13.43% (excluding leave encashment paid during the year Rs.60,98,750/-), Company Secretary of the Company during the financial year ended 31st March, 2018 is 8.96% and the ratio of remuneration and percentage increase of the Chief Finance Officer of the Company during the financial year ended 31st March, 2019 is not reported as he was holding position for part of the current Financial Year.



3. Percentage increase in the median remuneration of employees of the Company during the financial year ended 31st March, 2019 is 5.96%.
4. The number of permanent employees on the rolls of the Company as on 31st March, 2019 are 327.
5. The explanation on the relationship between average increase in remuneration and Company performance:
The percentage increase in salary is in line with the market situation, business performance, financial position of the Company.
6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:
Company's ideology, business performance, financial position, merit increases and annual bonus pay outs of its employees including Key Managerial Personnel are directly linked to individual performance as well as the Company.
7. Variations in the market capitalisation of the Company, price earnings ratio as at the Closing date of the year ended 31st March, 2019 and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of Listed Companies:

	As on 31.03.2019 (Rs. In Lacs)	As on 31.03.2018 (Rs. In Lacs)
Market Capitalisation	36599.35	23655.526

Price Earnings ratio of the Company was 7.93 as at 31st March, 2019 and was 19.36 as at 31st March, 2018. The company has not come out with public offer of equity shares. Hence the details of the same are not applicable.

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average percentage increase made in the salaries of employees other than the Managerial Personnel in the period was 6.33% . The Comparison was not made due to (i) remuneration and percentage increase of the Chief Finance Officer of the Company during the financial year ended 31st March, 2019 is not reported as he was holding position for part of the current Financial Year and (ii) the payment of leave encashment paid during the year Rs.60,98,750 to the Chief Executive Officer of the Company.
9. The Key parameters for any variable component of remuneration availed by the Directors:

Not applicable as there is no variable component of remuneration availed by the Directors during the financial year ended 31st March, 2019.
10. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but received remuneration in excess of the highest paid director of the Company during the financial year ended 31st March, 2019. Not Applicable
11. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.



FORM NO. MGT-9

Extract of annual return as on the financial year ended on 31.03.2019

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

I. REGISTRATION AND OTHER DETAILS :

- (i) CIN : L24110MH1919PLC000564
- (ii) Registration date : 25/09/1919
- (iii) Name of the company : The Dharamsi Morarji Chemical Co. Ltd.
- (iv) Category/sub-category : Company Limited by Shares /
of the company : Indian Non-Government Company
- (v) Address of the registered office and contact details : Prospect Chambers, 317/321,
Dr. D.N. Road, Fort, Mumbai 400001
Maharashtra
Tel. 022-22048881-2-3
Fax : 022-22852232
www.dmcc.com
dgokhale@dmcc.com
- (vi) Whether listed company : Yes – on BSE Limited
- (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Link Intime India Pvt. Ltd.
C-101, 247 Park,
LBS Marg, Vikhroli (W)
Mumbai 400 083
Maharashtra
Tel. : +91 22-49186270
Fax : +91 22-49186060
E-mail: rnt.helpdesk@linkintime.co.in
Website: linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are :

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1.	Other Chemicals	202	99.43 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (post merger)

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ associate	% of shares held	Applicable Section
1.	Borax Morarji (Europe)	Nil	Subsidiary	100 %	
	GmbH				



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	183751	51225	234976	0.94	183751	51225	234976	0.94	-
(b) Central Govt.	-	-	-	-					
(c) State Govt(s)	-	-	-	-					
(d) Bodies Corp.	3769298	3000	3772298	15.13	3769298	3000	3772298	15.13	-
(e) Banks/FI									
(f) Any Other									
Sub-total (A)(1)	3953049	54225	4007274	16.07	3953049	54225	4007274	16.07	-
(2) Foreign									
(a) NRIs - Individuals	9293513	22725	9316238	37.35	9280776	600	9281376	37.21	(0.14)
(b) Other - Individuals									
(c) Bodies Corp.									
(d) Banks/FI									
(e) Any Other									
Sub-total (A)(2)	9293513	22725	9316238	37.35	9280776	600	9281376	37.21	(0.14)
Total shareholding of									
Promoter (A)=(A)(1)+(A) (2)	13246562	76950	13323512	53.42	13233825	54825	13288650	53.28	(0.14)
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds/UTI	0	4909	4909	0.02	0	4909	4909	0.02	-
(b) Banks/FI	1232	303749	304981	1.22	1232	303749	304981	1.22	-
(c) Central Govt.									
(d) State Govt(s)									
(e) Venture Capital Funds	0	0	0	-	0	0	0	0	-
(f) Insurance Companies	4232	200	4432	0.02	4232	200	4432	0.02	-
(g) Alternate Investment Funds	230340	0	230340	0.92	0	0	0	0	(0.92)
(h) Foreign Portfolio Investor	57810	0	57810	0.23	115791	0	115791	0.46	0.23
(i) Others (NBFC's registered with RBI)	0	0	0	-	3700	0	3700	0.02	0.02
Sub-total(B)(1)	293614	308858	602472	2.41	124955	308858	433813	1.74	(0.67)
2. Non-Institutions									
(a) Bodies Corp.	1048667	19934	1068601	4.29	634340	19774	654114	2.62	(1.67)
i. Indian									
ii. Overseas									
(b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹2 Lakh	4339842	874293	5214135	20.91	4331570	810551	5142121	20.62	(0.29)



ii. Individual shareholders holding nominal share capital in excess of ₹2 Lakh	3427551	28182	3455733	13.86	3688427	28182	3716609	14.90	1.04
(c) Others (HUF specify)	789979	150	790129	3.17	1246731	150	1246881	5.00	1.83
i. Clearing Members	108475	0	108475	0.43	19842	0	19842	0.08	(0.35)
ii. Non Resident Indians (NRI)	69725	79336	149061	0.60	68055	77117	145172	0.58	(0.02)
iii. Non Resident Indians (NRN)	80188	24946	105134	0.42	128139	24946	153085	0.62	0.20
iv. Trusts	122598	0	122598	0.49	139563	0	139563	0.56	0.07
v. Others Foreign Nationals	83	0	83	-	83	0	83	0	-
Sub-total (B)(2)	9987108	1026841	11013949	44.17	10256750	960720	11217470	44.98	0.81
Total Public Shareholding (B) = (B) (1) + (B)(2)	10280722	1335699	11616421	46.58	10381705	1269578	11651283	46.72	(0.14)
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	-	Nil	Nil	Nil	Nil	-
Grand Total (A+B+C)	23527284	1412649	24939933	100	23615530	1324403	24939933	100	-

(ii) Shareholding of promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year shares
		No. of shares	% of total shares of the company	% of shares pledged/encumbered total	No. of shares	% of total shares of the company	% of shares pledged/encumbered total shares	
1.	Bimal Lalitsingh Goculdas	97200	0.39	Nil	97200	0.39	-	-
2.	Sonali B. Goculdas	43988	0.18	Nil	43988	0.18	-	-
3.	Harisingh Narottamdas Goculdas	2838	0.01	Nil	2838	0.01	-	-
4.	Kosan Industries Pvt. Ltd.	3000	0.01	Nil	3000	0.01	-	-
5.	Lalit N. Goculdas	3127	0.01	Nil	3127	0.01	-	-
6.	Radha Lalit Goculdas	3728	0.02	Nil	3728	0.02	-	-
7.	Ranchoddas Mathradas Goculdas	50282	0.20	Nil	50282	0.20	-	-
8.	Bharati Laxmikumar Goculdas	454145	1.82	Nil	454145	1.82	-	-
9.	The Natural Gas Co.Pvt. Ltd.	1080222	4.33	Nil	1080222	4.33	1.18	-
10.	Phoenix Distributors Pvt. Ltd.	1182270	4.74	Nil	1182270	4.74	1.18	-
11.	Jasraj Trading Company	1050806	4.21	Nil	1050806	4.21	-	-
12.	L.P. Gas Equipment Private Ltd.	456000	1.83	Nil	456000	1.83	-	-
13.	Laxmikumar Narottam Goculdas	8862093	35.53	Nil	8827231	35.39	-	(0.14)
14.	Mulraj Dwarkadas Goculdas	33813	0.14	Nil	0	-	-	(0.14)
15.	Ophelia Desai.	0	-	Nil	33813	0.14	-	0.14
	Total	13323512	53.42	Nil	13288650	53.28	2.36	(0.14)

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

Sr. No.				Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year as on 01/04/2018			13323512	53.42%		
	Additions						
1.	Laxmikumar Narottam Goculdas						
	As on	Decreased	As on				
	1/4/2018	On 08/06/18	31/3/2019				
	8862093	34862	8827231			8827231	35.39%
	35.53%	0.14%	35.39%				



2.	Phoenix Distributors Pvt. Ltd.		1182270	4.74%	1182270	4.74%
3.	The Natural Gas Co. Pvt. Ltd.		1080222	4.33	1080222	4.33%
4.	Jasraj Trading Company		1050806	4.21	1050806	4.21%
5.	L.P. Gas Equipment Pct. Ltd.		456000	1.83	456000	1.83%
6.	Bharti Laxmikumar Goculdas		454145	1.82	454145	1.82%
7.	Bimal L. Goculdas		97200	0.39%	97200	0.39%
8.	Ranchoddas Mathradas Goculdas		50282	0.20%	50282	0.20%
9.	Sonali B. Goculdas		43988	0.18%	43988	0.18%
10.	Radha L. Goculdas		3728	0.02%	3728	0.02%
11.	Lalit N. Goculdas		3127	0.01%	3127	0.01%
12.	Kosan Industries Pvt. Ltd.		3000	0.01	3000	0.01%
13.	Harisingh Narottamdas Goculdas		2838	0.01	2838	0.01%
14.	Mulraj Dwarkadas Goculdas					
	As on	Decreased	As on			
	01/04/2018	12/10/2018	31/03/19			
	33813	(17149)				
		01/02/2019				
	0.14	(16664)	0	33813	0.14	0
15.	Ophelia Fernandez		0	-	33813	0.14
	Subtotal of the %	change				
	Changes effected to Promoter Group holding				34862	(0.14)
	At the end of the year – As on 31-03.2019				13288650	53.28

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

Sr. No.	For Each of the Top 10 Shareholders (*)	Date	Increase or Decrease / Reasons	Shareholding at the beginning of the year 01/04/2016		Shareholding at the end of the year 31/03/2017		
				No. of shares	% of total shares of the company	No. of shares	No. of shares held	% of total shares of the company
1	Girish Gulati (HUF)	08/06/2018 15/06/2018 22/06/2018 30/06/2018 06/07/2018 13/07/2018 20/07/2018 27/07/2018 03/08/2018 10/08/2018 17/08/2018 14/09/2018 22/02/2019	Increase/Transfer Increase/Transfer Increase/Transfer Increase/Transfer Increase/Transfer Increase/Transfer Increase/Transfer Increase/Transfer Increase/Transfer Increase/Transfer Increase/Transfer Decrease/Transfer Increase/Transfer	261624	1.05	10000 16596 5500 44257 9233 804 14358 36588 97505 54147 23326 (5000) 1069	271624 288220 293720 337977 347210 348014 362372 398960 496465 550612 573938 568938 570007	1.05 2.29
2	Jayantilal Premji Shah	20/04/2018 27/04/2018 04/05/2018	Increase/Transfer Increase/Transfer Increase/Transfer	240000	0.96	40782 53269 80949	280782 334051 415000	0.96 1.66
3	Sanjay Katkar	16/11/2018 23/11/2018	Decrease/Transfer Increase/Transfer	341943	1.37	(25009) 85617	316934 402551	1.37 1.61



4	Chetan Jayantilal Shah			240000	0.96		240000	0.96
5	Bhadra Jayantilal Shah			240000	0.96		240000	0.96
6	Ajay Upadhyaya	12/10/2018 30/11/2018 07/12/2018 14/12/2018 01/02/2019	Increase/Transfer Increase/Transfer Increase/Transfer Increase/Transfer Increase/Transfer	220000	0.88	5000 1608 1892 1500 1000	225000 226608 228500 230000 231000	0.88 0.93
7	Kailash Sahebrao Katkar	25/05/2018 24/08/2018 22/02/2019	Increase/Transfer Increase/Transfer Increase/Transfer	65208	0.26	47883 52772 9390	113091 165863 175253	0.26 0.70
8	Jagdish N. Master	30/06/2018 27/07/2018 17/08/2018 24/08/2018 31/08/2018 07/09/2018 14/09/2018 21/09/2018 29/09/2018 16/11/2018	Decrease/Transfer Decrease/Transfer Decrease/Transfer Decrease/Transfer Decrease/Transfer Decrease/Transfer Decrease/Transfer Decrease/Transfer Decrease/Transfer Decrease/Transfer	188000	0.75	(10000) (4500) (23000) (35000) (1000) (500) (1500) (500) (500) (500)	178000 173500 150500 147000 146000 145500 144000 143500 143000 142500	0.75 0.57
9	Chetan Jayantilal Shah			0	-			-
		01/06/2018	Increase/Transfer			20000	20000	
		15/06/2018	Increase/Transfer			12365	32365	
		22/06/2018	Increase/Transfer			31130	63495	
		30/06/2018	Increase/Transfer			55441	118936	
		06/07/2018	Increase/Transfer			8032	126968	
		13/07/2018	Increase/Transfer			13032	140000	0.56
10	Edelweiss Broking Ltd.			190795	0.77			0.77
		06/04/2018	Increase/Transfer			29	190824	
		13/04/2018	Decrease/Transfer			(2238)	188586	
		20/04/2018	Decrease/Transfer			(170)	188416	
		27/04/2018	Increase/Transfer			(111)	199146	
		11/05/2018	Decrease/Transfer			(721)	198425	
		25/05/2018	Decrease/Transfer			(59552)	138873	
		01/06/2018	Increase/Transfer			1050	139923	
		08/06/2018	Increase/Transfer			9479	149402	
		15/06/2018	Increase/Transfer			9754	159156	
		22/06/2018	Increase/Transfer			29865	189021	
		30/06/2018	Increase/Transfer			9953	198974	
		06/07/2018	Increase/Transfer			11000	209974	
		13/07/2018	Increase/Transfer			6741	216715	
		27/07/2018	Increase/Transfer			1886	218601	
		03/08/2018	Increase/Transfer			114	218715	
		10/08/2018	Decrease/Transfer			(1464)	217251	
		17/08/2018	Increase/Transfer			50370	267621	
		24/08/2018	Decrease/Transfer			(49094)	218527	
		31/08/2018	Increase/Transfer			60606	219133	
		07/09/2018	Increase/Transfer			305	279438	
		14/09/2018	Decrease/Transfer			(3578)	275860	
		21/09/2018	Decrease/Transfer			(6364)	269496	
		29/09/2018	Decrease/Transfer			(18833)	250663	
		05/10/2018	Decrease/Transfer			(600)	250063	
		21/10/2018	Increase/Transfer			380	250443	



		19/10/2018	Increase/Transfer			110	250553	
		26/10/2018	Increase/Transfer			1550	252103	
		02/11/2018	Increase/Transfer			2255	254358	
		09/11/2018	Decrease/Transfer			(1900)	252458	
		16/11/2018	Decrease/Transfer			(33552)	218906	
		23/11/2018	Decrease/Transfer			(88746)	130160	
		30/11/2018	Increase/Transfer			1148	131308	
		07/12/2018	Increase/Transfer			1041	132349	
		14/12/2018	Increase/Transfer			271	132620	
		21/12/2018	Increase/Transfer			205	132825	
		28/12/2018	Increase/Transfer			505	133330	
		04/01/2019	Increase/Transfer			406	133736	
		11/01/2019	Increase/Transfer			2697	136433	
		18/01/2019	Decrease/Transfer			(2195)	134238	
		25/01/2019	Increase/Transfer			10	134248	
		01/02/2019	Increase/Transfer			4955	139203	
		08/02/2019	Decrease/Transfer			(79527)	59676	
		15/02/2019	Increase/Transfer			350	60026	
		22/02/2019	Decrease/Transfer			(9765)	50261	
		01/03/2019	Decrease/Transfer			(1725)	48536	
		08/03/2019	Decrease/Transfer			(518)	48018	
		15/03/2019	Decrease/Transfer			(1480)	46538	
		29/03/2019	Decrease/Transfer			(3327)	43211	0.17
11	SBI Pipe Fund - 1			230340	0.92			0.92
		22/06/2018	Dcrease/Transfer			(21622)	208718	
		30/06/2018	Decrease/Transfer			(42258)	166460	
		06/07/2018	Decrease/Transfer			(23542)	142918	
		20/07/2018	Decrease/Transfer			(22900)	120018	
		27/07/2018	Decrease/Transfer			(36090)	83928	
		03/08/2018	Decrease/Transfer			(1250)	82678	
		10/08/2018	Decrease/Transfer			(23000)	59678	
		17/08/2018	Decrease/Transfer			(25859)	33819	
		24/08/2018	Decrease/Transfer			(5728)	28091	
		31/08/2018	Decrease/Transfer			(2443)	25648	
		07/09/2018	Decrease/Transfer			(18500)	7148	
		29/09/2018	Decrease/Transfer			(1218)	5930	
		12/10/2018	Decrease/Transfer			(40000)	1930	
		19/10/2018	Decrease/Transfer			(1930)	0	-
12	Urvashi D. Morarji			227026	0.91			0.91
		03/08/2018	Decrease/Transfer			(100000)	127026	
		10/08/2018	Decrease/Transfer			(127026)	0	-

(The Shares of the Company are traded on a daily basis and hence the date wise increase/ decrease in shareholding is not indicated.

Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

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

Sr. No.	Name of Director / KMP	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Laxmikumar Narottam Goculdas	1/4/2018		8862093	35.53		
		08/06/2018		(34862)			
		31/3/2019		8827231	35.39	8827231	35.39
2	Shri Haridas Tricumdas Kapadia	1/4/2018		11107	0.04		
		31/3/2019		11107	0.04	11107	0.04
3	Shri Arvind Wasudeo Ketkar	1/4/2018		324	0.01		
		31/3/2019		324	0.01	324	0.01
4	Shri Madhu Thakorlal Ankleshwaria	1/4/2018		225	-		
		31/03/2019		225	-	225	-
5	Shri Sanjeev Vishwanath Joshi	1/4/2018		4435	0.02		
		31/03/2019		4435	0.02	4435	0.02
6	Shri Bimal Lalitsingh Goculdas	1/4/2018		97200	0.39		
		31/3/2019		97200	0.39	97200	0.39
7	Shri Dilip Trimbak Gokhale	1/4/2018		150	-		
		31/3/2019		150	-	150	-

(vi) **INDEBTEDNESS**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I. Principal Amount	1303.08	831.13	60.00	2194.21
II. Interest due but not paid	-	-	-	-
III. Interest accrued but not due	-	-	-	-
Total (I + II + III)	1303.08	831.13	60.00	2194.21
Change in Indebtedness during the financial year				
• Addition	526.81	-	-	526.81
• Reduction	(353.53)	(416.70)	(60.00)	(830.23)
Net Change	173.28	(416.70)	(60.00)	(303.42)
Indebtedness at the end of the financial year				
i. Principal Amount	1476.36	414.43	-	1890.79
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (I + ii + iii)	1476.36	414.43	-	1890.79

(vii) **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. **Remuneration to Managing Director, Whole-time Directors and/or Manager :**

Sr. No.	Particulars of Remuneration	Name of MD/WTM/Manager	Total Amount In ₹
		Shri Bimal Lalitsingh Goculdas	
		Managing Director, & CEO	



1.	Gross salary		
(a)	Salary as per provisions contained in section 17(I) of the Income-tax Act, 1961.	**13298750	***13298750
(b)	Value of perquisites under section 17(2) Income-tax Act, 1961.	787125	787125
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock option	-	-
3.	Sweat equity	-	-
4.	Commission	-	-
-	as % of profit	-	-
-	others, specify....	-	-
5.	Others (Please specify)- Retirals	819000	819000
	Total (A)	14904875	14904875

** Including leave encashment Rs.60,98,750/- paid during the year.

B. Remuneration to other directors (Refer Corporate Governance Report for details):

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
1.	Independent Directors	Mr.Haridas Tricumdas Kapadia	Mr.Madhu Thakorlal Ankleshwaria	Mr. Arvind Wasudeo Ketkar	Mr.Mukul Manoharlal Taly	Mr.Sanjeev Vishwanath Joshi	
	• Fee for attending Board/ Committee meetings	325000	325000	225000	150000	175000	1200000
	• Commission	171000	171000	171000	17000	17000	547000
	• Others, please specify	-	-	-	-	-	
	Total (B) (I)	496000	496000	396000	167000	192000	1747000
2.	Other Non-Executive Directors	Mr. Laxmikumar Narottam Goculdas		Ms. Mitika Laxmikumar Goculdas			Total
	• Fee for attending Board/ Committee meetings		200000		125000		325000
	• Commission		511000		171000		682000
	• Others, please specify		-		-		-
	Total (B) (2)		711000		296000		1007000
	Total (B) = (1 + 2)						2754000
	Total Managerial Remuneration						

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr.D.T. Gokhale Sr.Executive Vice President & Company Secretary	Mr.Chirag Shah J Chief Finance Officer	Total
1.	Gross salary			



	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	3260000	1767742	5027742
	(b)	Value of perquisites under section 17(2) of the Income-tax Act, 1961.	162961	419409	582370
	(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		-
2.	Stock Option		-		-
3.	Sweat Equity		-		-
4.	Commission				
	-	as % of profit	-		-
	-	others, specify	-		-
5.	Others, please specify		-		-
	Total		3422961	2187151	5610112

(viii) **PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.



REPORT ON CORPORATE GOVERNANCE 2018-2019

1. Company's philosophy on Code of Governance

Your Company strongly believes that its system of Corporate Governance protects the interests of all the stakeholders by inculcating transparent business operations and accountability from management. The Core Values viz. Customer Focus, Team Work, Leadership, Innovation, Respect for People, Integrity and Performance, guide the Company towards fulfilling the consistently high standard of Corporate Governance in all facets of the Company's operations. Accordingly, your Company has been practicing the broad principles of Corporate Governance over the years by placing strong emphasis on transparency, empowerment, accountability and integrity so as to continuously enhance values for stake holders - the shareholders, the customers, the employees and the creditors.

2. Governance Structure

The Corporate Governance structure of the Company is as follows:

- i. Board of Directors: The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.
- ii. Committees of the Boards (hereinafter called "Committees"). The Board has constituted the following Committees viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Independent Directors' Committee, Stakeholder/Investor and Grievance Committee. Each of the said Committee has been mandated to operate within a given framework.

3. Board of Directors

Composition & Size of the Board

Your Board comprises of an optimal complement of independent professionals having in-depth knowledge of the business and the industry. The size and composition of the Board conforms with the requirements of the Corporate Governance code under the Listing Agreement with the BSE Limited viz. Stock Exchange, Mumbai. The Board is headed by the Non Executive Chairman, Shri Laxmikumar Narottam Goculdas. As on 31st March, 2019 the Board comprised of 8 Directors (including 1 woman Director). Out of the 8 Directors 7 Directors were Non-Executive Directors. The Non-Executive Directors are eminent industrialists and professionals with vast experience in over-all management and finance, who bring a wide range of skills and experience to the Board. Out of these 8 Directors, 5 were Independent Directors, 2 Promoter Non-Executive Directors and 1 Executive Director (Managing Director, and Chief Executive Officer), thereby complying with the requirements of the Companies Act, 2013 and the Clause 49 of the Listing agreement.

Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board is circulated to the Directors well in advance to facilitate the Directors to plan their schedules. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board meeting.

The notice of each Board Meeting is given in writing to each Director. The Agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company

Intimation given to the Board

The Company provides the information as set out in Clause 49 of the Listing Agreement to the Board and the Board committees to the extent it is applicable and relevant. Such information is submitted either as part of the



respective meetings or by way of presentations and discussions during the meeting.

Post Meeting Mechanism

The important decisions taken at the Board/Committee meetings are communicated to the concerned departments/divisions.

Board Support

The Company Secretary attends the Board/Committee meetings and advises on Compliances with applicable laws and governance.

The information as required under Annexure 1A to Clause 49 is being made available to the Board.

None of the Directors was a member of more than 10 Board- level committees nor a Chairman of more than 5 such committees, across all Companies in which he was a Director.

Number of Board Meetings held during the year along with the dates of the Meetings:

Six Board Meetings were held during the financial year ended 31st March, 2019. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Listing Agreement. The dates on which the said meetings were held are as follows:

28th May, 2018, 10th August, 2018, 26th September, 2018, 14th November, 2018, 7th December, 2018 and 12th February, 2019.

Attendance of each Director at the Board Meetings held during the financial year ended 31st March, 2019 and last Annual General Meeting and No. of other Directorships / Memberships of the Committee:

Sr. No.	Name of Directors	Category of Directorship (designation as on 31.03.2019)	No. of Board Meetings attended (out of 6 Meetings held)	Attendance at last AGM	No. of other directorships as on 31.03.19 [@]	No. of Board Committees of other companies in which Chairman, as on 31.03.2019	No. of Board Committees of other companies in which Member, as on 31.03.2019
1	Shri Laxmikumar Narottam Goculdas DIN 00459347	Chairman, Promoter, Non-Executive	5	Yes	Nil	Nil	Nil
2	Ms Mitika L. Goculdas DIN 02879174	Vice Chairperson, Promoter, Non-Executive	4	Yes	Nil	Nil	Nil
3	Shri H. T. Kapadia DIN 00125090	Non-Executive, Independent	6	Yes	Nil	Nil	Nil
4	Shri M. T. Ankleshwaria DIN 02753794	Non-Executive, Independent	6	Yes	1 ^{@@}	1	2
5	Shri A. W. Ketkar DIN 02863429	Non-Executive, Independent	6	Yes	Nil	Nil	Nil
6	Shri Mukul Manoharlal Taly DIN 01334360	Non-Executive Independent Director,	5	Yes	Nil	Nil	Nil
7	Shri S. V. Joshi DIN 00392020	Non-Executive Independent Director,	6	Yes	Nil	Nil	Nil
8	Shri Bimal Lalitsingh Goudas DIN 00422783	Executive Director, Managing Director, and C.E.O	6	Yes	Nil	Nil	Nil

[@] Excludes Foreign Companies, Private Companies Alternate Directorships.

^{@@} Director in Avik Pharmaceuticals Ltd.

Details of Directors being appointed and re-appointed at the ensuing Annual General Meeting to be held on 20th September, 2019.



As per the Companies Act, 2013, not less than two-third of the Directors should be retiring Directors. One-third of these retiring Directors are required to retire every year and if eligible, these Directors qualify for re-appointment.

Accordingly, Ms. Mitika Laxmikumar Goculdas retires by rotation at the ensuing Annual General Meeting and being eligible offer herself for re-appointment.

A brief resume of the Directors being appointed/eligible for re-appointment are as follows:

Ms. Mitika Laxmikumar Goculdas

Ms. Mitika Laxmikumar Goculdas, is MBA (Finance) from Pennsylvania State University, USA. She has total work experience of 23 years including her stint as Vice President with Merrill Lynch both at USA and Dubai. She has experience in Finance, Industry and International Trade.

Ms. Mitika Laxmikumar Goculdas is the Vice Chairperson of the Company and Chairperson of the Corporate Social Responsibility Committee.

Shri Haridas Tricumdas Kapadia

Shri Haridas Tricumdas Kapadia, Director of the company has wide knowledge and experience in industry, trade, commerce, corporate affairs and International Trade. He is B.Sc. and Diploma in Chemical Engineering. He has got wide business experience in Fertiliser and Chemical industries. Shri Haridas Tricumdas Kapadia, Non-Executive Independent Directors whose appointment for a period of five years commencing from 18th September, 2014 and ending on 17th September, 2019, was approved by the Shareholders at the 93rd Annual General Meeting of the company held on 18th September, 2014.

According to the new provisions, a listed entity is required to obtain approval of shareholders by way of Special Resolution to appoint or continue the directorship of any Directors who have attained the age of seventy-five years. Accordingly the approval of the Shareholders has been obtained at the 97th Annual General Meeting held on Wednesday, the 26th day of September, 2018, for the continuation of directorship of Shri Haridas Tricumdas Kapadia.

Shri Arvind Wasudeo Ketkar

Shri Arvind Wasudeo Ketkar, is B.Com (Hons), F.C.A., Practising Chartered Accountant for over 45 Years and has indepth knowledge in finance and accounting. Shri Arvind Wasudeo Ketkar, Non-Executive Independent Directors whose appointment for a period of five years commencing from 18th September, 2014 and ending on 17th September, 2019, was approved by the Shareholders at the 93rd Annual General Meeting of the company held on 18th September, 2014.

According to the new provisions, a listed entity is required to obtain approval of shareholders by way of Special Resolution to appoint or continue the directorship of any Directors who have attained the age of seventy-five years. Accordingly the approval of the Shareholders has been obtained at the 97th Annual General Meeting held on Wednesday, the 26th day of September, 2018, for the continuation of directorship of Shri Arvind Wasudeo Ketkar.

Shri Madhu Thakorlal Ankleshwaria

Shri Madhu Thakorlal Ankleshwaria is B.Com.(Hons), F.C.A. Practising Chartered Accountant for over three decades and was Head of the Department of "Accountancy" at N.M. College of Commerce & Economics, Vile Parle, West, Mumbai 400 056. He has in-depth knowledge in Finance and Accounting and has been in practice as a Chartered Accountant. Shri Madhu Thakorlal Ankleshwaria, Non-Executive Independent Directors whose appointment for a period of five years commencing from 18th September, 2014 and ending on 17th September, 2019, was approved by the Shareholders at the 93rd Annual General Meeting of the company held on 18th September, 2014.

Independent Directors

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Rules made there under and meet with requirement of Clause 49 of the Listing Agreement entered into with the Stock Exchange, viz. BSE Limited, Mumbai. A Formal letter of appointment



to Independent Director as provided in Companies Act, 2013 and the Listing Agreement has been issued and disclosed on the website of the Company viz. www.dmcc.com.

Separate Meeting of Independent Directors

In compliance with Regulation 25(3) of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 12th February, 2019, the five Independent Directors of the Company existing as on the date and time of meeting attended the meeting, inter alia to discuss the following:

- Evaluation of the performance on Non-Independent Directors and the Board as a whole;
- Evaluation of the performance of Chairperson of the Company, taking into account the views of Non-Executive Directors; and
- Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The details of the familiarization programme of the Independent Directors are available on the website of the Company viz. www.dmcc.com

4. Familiarisation Programme for Directors

At the time of appointing a Director, a formal letter or appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from him under the Companies Act, 2013, Clause 49 of the Listing Agreement and other relevant regulations and affirmation taken with respect to the same. The Chairman and CEO also has one to one discussion with the newly appointed Director to familiarise him with the Company's operations. Further the Company has put in place a system to familiarise the Independent Directors about the Company, its products, business and the on-going events relating to the Company.

5. Audit Committee

Composition, Terms and Reference

The Audit Committee comprises of three Non-Executive Directors of which two are Independent Directors viz. Shri H. T. Kapadia as the Chairman (Independent Director) and Shri M. T. Ankleshwaria (Independent Director) as member. Shri Laxmikumar Narottam Goculdas, Non-Executive Promoter Director is also a member of the Audit Committee. Shri D. T. Gokhale, Company Secretary, acts as the Secretary to the Committee.

The role, terms of reference, authority and power of Audit Committee are in conformity with the requirements of Section 177 of the Companies Act, 2013 and Rules 6 and 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement with the Stock Exchange, viz. BSE Limited, Mumbai.

Meeting and the attendance during the financial year ended 31st March, 2019.

Four Meetings of the Audit Committee were held during the financial year ended 31st March, 2019 as given below. The attendance of each Committee member at the Audit Committee Meetings are given below:

Dates on which Audit Committee Meeting were held	Shri H. T. Kapadia	Shri Laxmikumar Narottam Goculdas	Shri M. T. Ankleshwaria
28.05.2018	Present	Present	Present
10.08.2018	Present	Present	Present
14.11.2018	Present	-	Present
12.02.2019	Present	Present	Present

All the meetings were attended by the Managing Director, and Chief Executive Officer, Company Secretary, Chief Finance Officer, Internal Auditor and Statutory Auditors.

All the members of the Audit Committee are financially literate and also possess the requisite accounting & related financial management expertise.

**6. Nomination and Remuneration Committee Composition**

The Nomination and Remuneration Committee comprises of three Non-Executive, Independent Directors. Shri Haridas Tricumdas Kapadia, Non-Executive, Independent Director, is the Chairman of the Committee. The other members of the Nomination and Remuneration Committee include Shri Arvind Wasudeo Ketkar and Shri Madhu Thakorlal Ankleshwaria. The Composition of Nomination and Remuneration Committee is pursuant to the provisions of Sections 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, disclosed at the website of the Company viz. www.dmcc.com.

Meeting and Attendance

The Nomination and Remuneration Committee members held their meeting on 28th May, 2018. The necessary quorum was present, since all the members attended the meetings. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company. The table below provides the attendance of the Nomination and Remuneration Committee members:

Dates on which Nomination and Remuneration Committee Meeting were held	Shri H T Kapadia	Shri A W Ketkar	Shri M T Ankleshwaria
28.05.2018	Present	Present	Present

7. Remuneration to Directors

Details of remuneration paid to non-executive directors during the financial year ended 31st March, 2019 are as below:

Sr. No.	Name of Directors	Board Meeting	Audit Committee Meeting	Nomination and Remuneration Committee Meeting	Independent Directors Committee Meeting	Corporate Social responsibility Committee Meeting	Commission	Total	No. of equity shares held as on 31.03.19
1	Shri Laxmikumar Narottam Goculdas	125000	75000	Nil	Nil	Nil	511000	711000	8827231
2	Ms Mitika L. Goculdas	100000	Nil	Nil	Nil	25000	171000	296000	Nil
3	Shri H. T. Kapadia	150000	100000	25000	25000	25000	171000	496000	11107
4	Shri M. T. Ankleshwaria	150000	100000	25000	25000	25000	171000	496000	225
5	Shri A. W. Ketkar	150000	Nil	25000	25000	25000	171000	396000	324
6	Shri Mukul Manoharlal Taly	125000	Nil	Nil	25000	Nil	*17000	167000	Nil
7	Shri S. V. Joshi	150000	Nil	Nil	25000	Nil	*17000	192000	4435
	Total	950000	275000	75000	125000	100000	1229000	2754000	8843322

*With effect from 14th February, 2018

Relation between the Directors

None of the Directors of the Company except Shri Laxmikumar Narottam Goculdas (father of Ms. Mitika Laxmikumar Goculdas), Ms. Mitika Laxmikumar Goculdas (Daughter of Shri Laxmikumar Narottam Goculdas) and Shri Bimal Lalitsingh Goculdas the Nephew of Shri Laxmikumar Narottam Goculdas and cousin brother of Ms. Mitika Laxmikumar Goculdas are related to each other.

Remuneration to “Managing Director” and “Chief Executive Officer”

Details of remuneration paid/payable to Managing Director and Chief Executive Officer during the financial year 31st March, 2019 are as below:



(excludes contribution to Gratuity Fund & Leave Encashment on retirement, since same is provided on actuarial basis for the Company as a whole).

(Amount in Rupees)

Name & Designation	Salary	Contribution to PF & Superannuation Fund	Perquisites	Total
Shri Bimal Lalitsingh Goculdas, Managing Director, and Chief Executive Officer	13298750	819000	787125	14904875

The term of contract of Shri Bimal Lalitsingh Goculdas, Managing Director, and Chief Executive Officer of the Company, is from 01-04-2018 to 31-03-2023. No severance fees or stock option are available to him.

Relation of the Managing Director, and Chief Executive Officer with Directors

Shri Bimal Lalitsingh Goculdas, Managing Director and Chief Executive Officer of the Company is related to Shri Laxmikumar Narottam Goculdas and Ms. Mitika Laxmikumar Goculdas.

Remuneration Policy

Subject to the approval of the Board and of the Company in General Meeting and such other approvals as may be necessary, the Chief Executive Officer is paid remuneration as per the Agreements entered into between him and the Company. The remuneration structure of the Chief Executive Officer comprises of Salary, H.R.A., Commission/ Performance Linked Incentive, Perquisites, Contribution to Provident Fund & Superannuation and Gratuity.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees.

The performance evaluation of the Chairman, Managing Director and the Non-Independent Director were carried out by the independent Directors. The Directors express their satisfaction with the evaluation process.

8. Shareholder /Investor Grievance Committee

The Shareholder/Investor Grievance Committee comprises of Shri Laxmikumar Narottam Goculdas, (Non-Executive Chairman) as Chairman of the Committee with Shri. H. T. Kapadia, Director as other member. The Committee is vested with the requisite powers and authorities. In addition to the Share Transfer related matters, the committee specifically looks into the redressing of shareholders' and investors' complaints, if any, like delayed transfer of shares, non-receipt of annual reports, non-receipt of declared dividends etc. Shri D. T. Gokhale, Company Secretary has been appointed as the Compliance Officer.

Composition and attendance

This Committee comprises of Two Directors. Shri Laxmikumar Narottam Goculdas, (Non-Executive Chairman) is the Chairman of the Committee. The table below highlights the composition and attendance of the Members of the Committee. The necessary quorum was present for all Meetings.

Sr. No.	Name of the Directors	Role	Category	No. of Meetings attended
1	Shri Laxmikumar Narottam Goculdas,	Chairman	Non-Executive Promoter	4 of 4
2	Shri Haridas Tricumdas Kapadia	Member	Non-Executive Independent	4 of 4

Details of Shareholders' Complaints Received, solved and pending Share Transfer

The total number of complaints received and replied to the shareholders during the year ended March 31, 2019 were 14 as per details given below. There were no complaints outstanding as on 31st March, 2019. The number of pending share transfers and pending requests for dematerialization as on 31st March, 2019 were Nil. Shareholders/Investors complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended/pending for more than thirty days as on 31st March, 2019.



Sr. No.	Nature of Complaints	Complaint Received	Complaint Redressed
1	Non receipt of share certificate/duplicate shares/Redemption, etc.	14	14

Corporate Social Responsibility Committee

Composition

Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee was constituted, which comprises of four Directors, Ms Mitika Laxmikumar Goculdas is the Chairman of the Committee. The other members of the CSR Committee include Shri Haridas Tricumdass Kapadia, Shri Madhu Thakorlal Ankleshwaria and Shri Arvind Wasudeo Ketkar. The Composition of CSR Committee is pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as per Section 135 of the Companies Act, 2013.

The Company has formulated a CSR Policy and the same has been uploaded on the website of the Company (www.dmcc.com)

The terms of reference of the Corporate Social Responsibility Committee broadly comprises:

To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

To provide guidance on various CSR initiatives to be undertaken by the Company and to monitor process.

Meeting and Attendance:

The CSR Committee meeting held on 12th February, 2019. The necessary quorum was present for the Meeting. The Composition of the CSR Committee as at 12th February, 2019 and the details of meetings of the Committee are as under:

Sr. No.	Name	Position	Category	No. of Meeting attended
1	Ms. Mitika Laxmikumar Goculdas	Chairman	Non-Executive Promoter	1 of 1
2	Shri H. T. Kapadia	Member	Non-Executive Independent	1 of 1
3	Shri M. T. Ankleshwaria	Member	Non-Executive Independent	1 of 1
4	Shri A. W. Ketkar	Member	Non-Executive Independent	1 of 1

9. General Meetings and Postal Ballots

The details of last three Annual General Meetings of the Company and the Special Resolutions passed there are as follows:

- a) 97th Annual General Meeting was held on 26.09.2018 at 11.30 a.m. at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, Churchgate, Mumbai 400 020.

The following Special Resolutions were passed at the meeting:

- (i) Special Resolution for (Item 12) the continuation of directorship of Shri Laxmikumar Narottam Goculdas (DIN: 00459347) after his attaining the age of seventy-five years on 16/09/2018.
 - (ii) Special Resolution for (Item 13) the continuation of directorship of Shri Haridas Tricumdass Kapadia (DIN: 00125090) after his attaining the age of seventy-five years.
 - (iii) Special Resolution for (Item 14) the continuation of directorship of Shri Arvind Wasudeo Ketkar (DIN: 02863429) after his attaining the age of seventy-five years.
- b) 96th Annual General Meeting was held on 26.12.2017 at 11.00 a.m. at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, Churchgate, Mumbai 400 020 No Special Resolution was passed at the meeting.



- c) 95th Annual General Meeting was held on 27.09.2016 at 11.00 a.m. at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, Churchgate, Mumbai 400 020 one Special Resolution was passed at the meeting for :

Re- appointment of Shri Bimal Lalitsingh Goculdas as the "Chief Executive Officer" and "Manager" of the Company for a period of three years commencing from 1st April, 2016 to 31st March, 2019.

During the year 2018-2019, no Resolution was put through Postal Ballot.

During the year 2017-2018, no Resolution was put through Postal Ballot.

During the year 2016-2017, one Resolution was put through Postal Ballot, the particulars which are given below:

Pursuant to Section 108 and 110 of the Companies Act, 2013, read with the Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 as amended, Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Special Resolution for seeking approval of the shareholders, (issue of equity shares to the Promoters on a preferential Basis) through postal ballot (which include voting through electronic mode i.e. e-voting) as proposed vide Postal Ballot Notice dated October 27, 2016 has been passed with requisite majority by the shareholders of the company.

The result as per report dated November 29, 2016 of Ms Shailashri Bhaskar, Practicing Company Secretary, (Membership No. FCS:5778; CP:5092 an Independent Person to act as a Scrutinizer, appointed for conducting postal ballot process is as under:

Item		Number of Votes Cast in			Percentage
Issue of Equity Shares on Preferential basis to Promoter Group Companies viz. The Natural Gas Company Private Limited and Phoenix Distributors Private Limited.	Particulars	E-vote	Postal Ballot Forms	Total	
	Assent	311011	10513708	10824719	99.982%
	Dissent	400	1515	1915	0.018%
	Abstain	0	0	0	0.00%
	Total	311411	10515223	10826634	100.00%

10. Disclosures

- a) Code of Conduct

The Board of Directors has adopted the Code of Business Conduct and Ethics for the Directors and the members of the Senior Management. The said Code has been communicated to the Directors and the Members of the Senior Management. The Code has also been posted on the Company's website www.dmcc.com.

- b) At every Board Meeting and Audit Committee Meeting, the Register of Contracts maintained Under Section 189 of the Companies Act, 2013 is tabled and signed by the Directors.
- c) Transactions with the related parties are disclosed in Note No. 42 of the Notes to the Accounts in the Annual Report. None of the related party's transactions are in conflict with the interests of the Company at large. Policy for determining material subsidiaries and RPT Policy on materiality and dealing with related party of the Company are posted on the Company's website (URL <http://dmcc.com/investors>).
- d) There was no non-compliance during the last three years by the Company on any matter related to Capital Market. Consequently, no penalties were imposed nor any strictures were passed on the Company by the BSE Limited, Mumbai (on which the Company's equity shares are listed), SEBI or any other statutory authority.
- e) The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.
- f) Related Party Transactions - There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. The Register of Contracts for the transactions in which Directors are interested is placed before the Board regularly for its approval.



Transactions with related parties are disclosed in note number 42 of the notes forming part of Accounts, as per Ind AS 24.

- g) The Company has adopted Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behaviour. No person has been denied access to the Audit Committee.

11. CEO/CFO Certification

The Chief Executive Officer and the Chief Finance Officer of the Company have furnished a certificate to the Board of Directors of the Company with respect to accuracy of financial statements for the financial year ended 31st March, 2019 and adequacy of internal controls as required in terms of Regulation 17(8) of the Listing Regulations, for the financial year 2018-19 was placed before the Board at its meeting held on 28th May, 2019.

12. Means of Communications

- a) Quarterly Financial Results of the Company are forwarded to the Stock Exchange, viz. BSE Limited, Mumbai and published in "Free Press Journal" and "Navshakti" newspapers.
- b) Company has its own web site and all the vital information relating to the Company, its products and its financial results are displayed at the web site. Address of the web site is www.dmcc.com.
- c) Management Discussion & Analysis Report forms part of Directors' Report. No presentations were made to the institutional investors or analysts during the year.

13. Reconciliation of Share Capital Audit:

A qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted Capital with NSDL and CDSL and total issued and listed capital of the Company as per books. The Secretarial Audit report confirms that the total issued / paid-up capital is in accordance with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

14. Details of compliance with mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and adoption of the non-mandatory requirements of Regulation 27(1) of the Listing Regulations.

The Company is in compliance with all the mandatory provisions related to Corporate Governance pursuant to the requirement of the Listing Regulations read with other applicable provisions, if any.

The status of compliance with non-mandatory requirements of Regulation 27(1) read with Part E of Schedule II of the Listing Regulations are as under:

- (a) Non-Executive Chairman's office - The Company is having non-executive chairman. The Company does not incur any expenses for maintaining Chairman's office.
- (b) Shareholders' Rights: As the half-yearly/yearly (including quarterly) financial performance are published in the newspapers and are also posted on the Company's website. The Company also used to report significant events to the stock exchange viz. BSE Limited from time to time. Hence, the same are not being sent to the shareholders.
- (c) Audit Qualifications: During the period under review, there is no audit qualifications in the Company's financial statements. DMCC continues to adopt best practices to ensure a regime of unqualified financial statements.
- (d) Separate posts of Chairman and CEO: The Chairman of the Board is a Non-executive Promoter Director and his position is separate from that of the Managing Director, and CEO of the Company. The Company is in compliance of the requirement. Mr. Laxmikumar Narottam Goculdas is Non-executive Promoter Chairman and Mr. Bimal Lalitsingh Goculdas is Managing Director, and CEO of the Company. However, as per the SEBI (LODR) (Amendment) Regulations, 2018.
- (e) Reporting of internal Auditor: The Company is having independent Internal Auditor (separate from the employees) viz. M/s Mahajan & Aibara, Chartered Accountants, Mumbai. The Internal Auditors used to send their reports to the Managing Director, and CEO of the Company/ Board person authorised for this purpose and in turn the reports were circulated to the members of the Audit Committee for their perusal.



14(i) Details of utilization of funds raised through preferential allotment or qualified institutional placement (QIP) as specified under regulation 32(7A).

This clause is not applicable to the Company as the Company has not raised any funds through preferential allotment and / or QIP.

14(ii) Certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board / Ministry of Corporate Affairs or any such statutory authority.

The Company has obtained a certificate from Shri Satish Kumar Jain, Practicing Company Secretary of M/s SKJ and Associates, being Fellow Member No.FCS6398/PCS6632 of the Institute of Company Secretaries of India, regarding confirmation that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board (i.e. SEBI) / Ministry of Corporate Affairs or any such statutory authority. The requisite certificate from Shri Satish Kumar Jain, the secretarial auditor of the Company confirming compliance of the condition is attached to the Report on Corporate Governance.

14(iii) Total fees for all services paid by The Dharamsi Morarji Chemical Company Limited and its subsidiary, on a consolidated basis, to Rahul Gautam Divan & Associates and other firms in the network entity of which the statutory auditor is a part, as included in the consolidated financial statements of the Company for the year ended March 31, 2019, is as follows :

	Amount (INR in Rupees)
Audit Fees for the year 2018-19 - Rahul Gautam Divan	800000
Fees for Corporate Governance Certification	90000
Fees for Limited Reviews	300000
Fees for certification of	10000
Out of Pocket expenses for the year	33275
Total payment made during the year 2018-2019	1233275

14(iv) The disclosures of the compliance with corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.

The Company is in compliance with corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.

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

Number of complaints filed during the financial year	NIL
Number of complaints disposed of during the financial year	NIL
Number of complaints pending as on end of the financial year	NIL

15. General Shareholder Information 98th Annual General Meeting

Date : Wednesday, 20th September, 2019

Time : 11.30 a.m.

Venue: Indian Merchants' Chambers, Walchand Hirachand Conference Hall, Churchgate, Mumbai 400020.

Financial Calendar for the year 2019-20 (Provisional) :		
a.	Results for the first quarter ending 30th June, 2019	By 10 th August, 2019
b.	Results for the second quarter ending 30th September, 2019	By 14 th November, 2019
c.	Results for the third quarter ending 31st December, 2019	By 14 th February, 2020
d.	Results for the year ending 31st March, 2020 (Audited)	By end of May, 2020
e.	Annual General Meeting for the year ending March, 2020	In September, 2020



Date of Book Closure : 12th September, 2019 to 20th September, 2019 (both days inclusive)
 Stock Code : 506405
 Listing on Stock Exchange : BSE LIMITED
 : 25th Floor, P J Towers, Dalal Street, Mumbai 400 001.
 : Listing Fees as applicable have been paid.
 Demat ISIN : INE505A01010
 Corporate Identity Number : L24110MH1919PLC000564

Stock Price Data & Performance in comparison to BSE Indices

The monthly high and low of market prices of the Company's Equity Shares traded during the financial year on the BSE Limited, Mumbai and the BSE monthly high low Indices were as follows:

Month	Shares Price		BSE Indices	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2018	110.95	97.25	35213.30	32972.56
May, 2018	110.50	95.20	35993.53	34302.89
June, 2018	113.85	92.15	35877.41	34784.68
July, 2018	116.50	102.00	37644.59	35106.57
August, 2018	179.15	106.05	38989.65	37128.99
September, 2018	209.90	141.60	38934.35	35985.63
October, 2018	170.00	135.30	36616.64	33291.58
November, 2018	165.10	131.10	36389.22	34303.38
December, 2018	145.00	125.55	36554.99	34426.29
January, 2019	159.70	120.00	36701.03	35375.51
February, 2019	137.00	118.00	37172.18	35287.16
March, 2019	152.50	132.55	38748.54	35926.94

Nominal Value of each Equity Share is 10/-.

Registrar & Share Transfer Agents

Link Intime India Pvt. Ltd.

C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083.

Tel No : +91 22 49186000 Fax: +91 22 49186060

E-mail id : rnt.helpdesk@linkintime.co.in

Website : www.linkintime.co.in

Share Transfer System

Share Transfers are registered and duly transferred share certificates are dispatched within 30 days of receipt, if the transfer documents are otherwise in order. The total number of shares transferred in the Non-dematerialised segment during the financial year ended 31st March, 2019 were 5250.

In terms of the Notification No. SMDRP/POLICY/CIR/23/2000 dated 29th May, 2000, issued by Securities and Exchange Board of India, the Equity System of your Company are under compulsory demat trading by all investors, with effect from 28th August, 2000.

Shareholding Pattern and Distribution of Shares:

Shareholding Pattern as on 31 st March, 2019:		
Category	No. of Shares held	% of Shareholding
Promoters	13288650	53.28
Mutual Funds and UTI	4909	0.02
Banks, Financial Institutions, Insurance Cos.	309413	1.24
Private Corporate Bodies and Trusts	793677	3.18
HUF	1246881	5.00
Indian Public	8858730	35.52



Shareholding Pattern as on 31 st March, 2019:		
Category	No. of Shares held	% of Shareholding
NRIs/OCBs	414131	1.66
NBFC's registered with RBI	3700	0.01
Clearing Members (in the depository)	19842	0.08
TOTAL	24939933	100.00

Note: The total Foreign Shareholding as on 31st March, 2019 was 9695507 shares, which in, percentage terms was 38.88% of the issued and subscribed capital, out of which 9281376 shares aggregating 37.21% of the capital represent Promoters' Holding and hence are included in Promoters' category.

The Indian public shareholding includes Non-Executive Independent Director shareholding as under:

Shri. H. T. Kapadia 11107

Shri. A. W. Ketkar 324

Shri M. T. Ankleshwaria 225

Shri S. V. Joshi 4435

Distribution of Shareholding as on 31st March, 2019.

No. of Shares held	No. of Folios	Percentage	Total Shares	Percentage
Up to 500	14659	87.8258	1481209	5.9391
501 to 1000	886	5.3082	703513	2.8208
1001 to 2000	469	2.8099	698264	2.7998
2001 to 3000	207	1.2402	525342	2.1064
3001 to 4000	106	0.6351	382465	1.5335
4001 to 5000	87	0.5212	407647	1.6345
5001 to 10000	106	0.6351	769785	3.0866
10001 to 30000	119	0.7129	2150372	8.6222
30001 to 50000	17	0.1018	663723	2.6613
50001 to 100000	10	0.0599	830942	3.3318
100001 and above	25	0.1498	16326671	65.4640
TOTAL	16691	100.0000	24939933	100.0000

Dematerialisation of Shares and liquidity

As on 31st March, 2019, out of 2,49,39,933 Equity Shares of the Company, 2,36,15,530 Equity Shares representing 94.69% Equity Shares, have been dematerialized by 8707 shareholders. The total number of shareholders of the Company are 16691

The Company has not issued any GDRs, Warrant or any convertible instruments, the conversion of which will have an impact on equity shares of the Company.

The address of the correspondence : The Company Secretary

The Dharamsi Morarji Chemical Co. Ltd.

Prospect Chambers, 317/321, Dr. D. N. Road,

Fort, Mumbai 400 001.

Tel : 022 2204 8881/2/3; Fax : 022 2285 2232

E-mail : dgokhale@dmcc.com

Factories:		
(1)	Roha	105, MIDC Industrial Area, Audyogik Vasahat Post Office, Dhatav, Roha 402116, Dist. Raigad, Maharashtra.
(2)	Dahej	Plot No. CH-5/1 G.I.D.C, Dahej Industrial Estate, Taluka: Vagra, Dist. Bharuch, Gujarat.
(3)	Khemli	Khemli Village, Tehsil, Mavli, Dist. Udaipur, Rajasthan.
(4)	Jhar	Jhar Village, Taluka – Dhari, Dist. Amreli 365630, Gujarat.

Date: 28th May, 2019



TO THE MEMBERS OF

THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED

1. The Corporate Governance Report prepared by The Dharamsi Morarji Chemical Company Limited (hereinafter the "Company"), contains details as stipulated at Para C of Schedule V in terms of regulations 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") with respect to Corporate Governance for the year ended 31 March 2019.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with regards to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Directors Register as on 31 March 2018 and verified that at least one women director was on the Board during the year;
 - iv. Obtained and read the minutes of the following meetings held from 1 April 2018 to 31 March 2019:
 - (a) Board of Directors meeting;
 - (b) Audit committee;
 - (c) Annual General meeting;
 - (d) Nomination and Remuneration committee;
 - (e) Independent Directors Committee;
 - (f) Stakeholder/ Investor and Grievance committee
 - (g) Corporate social responsibility committee



- v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

- 8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31 March 2019, referred to in paragraph 1 above.

Other matters and Restriction on Use

- 9. This report 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.
- 10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **RAHUL GAUTAM DIVAN & ASSOCIATES**

Chartered Accountants

(Firm's Registration Number: 120294W)

RAHUL DIVAN

Partner

Membership Number: 100733

Place : Mumbai

Date : 28th May 2019



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED

Report on the Audit of the Standalone Ind AS Financial

Statements Opinion

We have audited the accompanying standalone Ind AS financial statements of The Dharamsi Morarji Chemical Company Limited ("the Company"), which comprise the Balance sheet as at 31 March 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements for the financial year ended 31 March 2019. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Ind AS financial statements.



Sr. No.	Key audit matters	How our audit addressed the key audit matter
1.	<p>Litigations and claims (Refer to note 32 to the standalone Ind AS financial statements)</p> <p>These cases are pending with multiple tax authorities like Income Tax, Excise, Service tax etc. and labour law cases which have not been acknowledge as debt by the company.</p> <p>In normal course of business, financial exposures may arise from pending proceedings not acknowledged as debt by the company. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the standalone Ind AS financial statements is depended on a number of significant assumptions and judgements. The amount involved are potentially significant and determining the amount, if any, to be recognized or disclosed in the standalone Ind AS financial statements, is inherently subjective.</p> <p>We have Considered Litigation and claims as Key Audit Matter as it requires significant management judgement, including accounting estimation uncertainty.</p>	<p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> • Evaluation of management's judgement of tax risks, estimates of tax exposures, each claims and contingencies. Third party opinions, past and current experience with the tax authority and management's response including on the labour law cases were used to assess the appropriateness of management's best estimate of most likely outcome of each uncertain contingent liability. • Discussing selected matters with the entity's management. • Critically assessing the entity's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the standalone Ind AS financial statements. Assessment of the probability of negative result of litigation and the reliability of estimates of related obligation. <p><u>Conclusion:</u></p> <p>Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation & disclosure on the subject matter in the standalone Ind AS financial statements.</p>
2.	<p>Revenue Recognition (as described in note 2.10 of the standalone Ind AS financial statements)</p> <p>For the year ended March 31, 2019 the Company has recognized revenue from contracts with customers amounting to Rs.23,162.71 Lacs. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that as principal, it typically controls the goods before transferring them to the customer.</p> <p>The variety of terms that define when control are transferred to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognized in the correct period.</p> <p>Revenue is measured net of net of returns and allowances, cash discounts, trade discounts and volume rebates (collectively 'discount and rebates'). There is a risk that these discount and rebates are incorrectly recorded as it also requires a certain degree of estimation, resulting in understatement of the associated expenses and accrual.</p>	<p>Principal Audit Procedures:</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Assessed the Company's revenue recognition policy prepared as per Ind AS 115 'Revenue from contracts with customers'. • Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates. • Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples checked that the revenue has been recognized as per the shipping terms. • To test cut off selected sample of sales transactions made pre- and post-year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods.



Sr. No.	Key audit matters	How our audit addressed the key audit matter
	<p>Revenue is also an important element of how the Company measures its performance. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the risk and rewards have been transferred.</p> <p>Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<ul style="list-style-type: none"> • Tested the provision calculations related to management incentives, discounts and rebates by agreeing a sample of amounts recognized to underlying arrangements with customers and other supporting documents. • Performed monthly analytical procedures of revenue by streams to identify any unusual trends. • Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.

We have determined that there are no other key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report 2018-19, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

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

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

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



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

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements for the financial year ended 31 March 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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



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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on 31 March 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 32 to the standalone Ind AS 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;

For Rahul Gautam Divan & Associates
ICAI Firm registration number: 120294W
Chartered Accountants

Rahul Divan
Partner
Membership No.: 100733

Place: Mumbai
Date: 28 May 2019



Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All fixed assets been physically verified by the management during the year but through a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at 31 March 2019 and no material discrepancies were noticed in respect of such confirmations.
- (iii) (a) The Company has not granted any secured or unsecured loans to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the requirements of sub-clause (a), (b) and (c) of clause (iii) are not applicable to the Company.
- (iv) There are no loans given, no investments made, no guarantees given, and no security given by the Company in terms of provisions of section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (c) According to the records of the Company, the dues outstanding of income tax, duty of excise, duty of custom, sales tax, ESI and employees' state insurance on account of any dispute, is as follows:

Name of the Statute	Nature of Dues	Amount (Rs.) in Lacs	Period to which	Forum where dispute is pending
Central Excise Act, 1944	Duty/Interest/Penalty	24.48	April 2008 to February 2013	Assistant Commissioner
Central Excise Act, 1944	Duty/Interest/Penalty	0.57	August, 2002 to March, 2007	Assistant Commissioner



Name of the Statute	Nature of Dues	Amount (Rs.) in Lacs	Period to which	Forum where dispute is pending
Central Excise Act, 1944	Duty/Interest/Penalty	1.18	2005 to 2006	Assistant Commissioner
Central Excise Act, 1944	Duty/Interest/Penalty	56.59	October 2008 to August 2013	Assistant Commissioner
Central Excise Act, 1944	Duty	3.79	March 2013 to September 2013	Dy. Commissioner
Central Excise Act, 1944	Duty	14.70	September 2013 to August 2014	CESTAT, West Zone Bench.
Central Excise Act, 1944	Duty	5.96	November 2010 to Sept 2013	Additional Commissioner of Central Excise
Central Excise Act, 1944	Duty	0.50	October 2013 to August 2014	Suptd. Of Central Excise(Tech)-IVth Division, Mahad
Central Excise Act, 1944	Duty	14.28	October 2013 to June 2014	Additional Commissioner of Central Excise
Central Excise Act, 1944	Duty	4.43	September 2014 to December 2014	Asst. Commissioner of Central Excise
Central Excise Act, 1944	Duty	1.58	January 2015 to April 2015	Asst. Commissioner of Central Excise
Central Excise Act, 1944	Transport Fees on SDS	51.24	2007-08 to 2016-17	Bombay High Court
Customs Act, 1962	Utilization of DEPB Licences	16.60	2002-03	Collector of Customs
Customs Act, 1962	Differential Duty	1433.00	2004-05 to 2008-09	CESTAT Mumbai
Customs Act, 1962	Duty	121.60	2005-06 to 2007-08	CESTAT Mumbai
	TOTAL	1750.50		

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government. The Company did not have any outstanding debentures during the year.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by term loans for the purpose for which they were obtained. The Company has not raised any money way of initial public offer / further public offer / debt instruments during the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company



has been noticed or reported during the year.

- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Rahul Gautam Divan & Associates
ICAI Firm registration number: 120294W
Chartered Accountants

Rahul Divan
Partner
Membership No.: 100733

Place: Mumbai
Date: 28 May 2019



ANNEXURE '2' TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date.)

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

We have audited the internal financial controls over financial reporting of The Dharamsi Morarji Chemical Company Limited ("the Company") as of 31 March 2019 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 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 internal financial controls 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, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Rahul Gautam Divan & Associates**
ICAI Firm registration number: 120294W
Chartered Accountants

Rahul Divan
Partner
Membership No.: 100733

Place: Mumbai
Date: 28 May 2019

**BALANCE SHEET AS AT 31ST MARCH 2019**

(₹ in Lakhs)

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non Current Assets			
Property, Plant and Equipment	3	8,373.62	7,260.94
Capital work-in-progress	3	84.15	264.50
Goodwill	3	1,465.10	1,465.10
Other Intangible Assets	3	21.49	19.79
Other non-current assets	4	173.76	161.30
Other non Current Financial Assets			
- Non Current Investments	5	55.85	55.85
Total Non Current Assets		10,173.97	9,227.48
Current Assets			
Inventories	6	2,490.11	2,070.72
Financial Assets			
- Investments	7	230.93	317.55
- Trade receivables	8	3,010.85	2,197.79
- Cash and cash equivalents	9	336.67	344.30
- Bank balances other than cash and cash equivalents	10	108.03	96.82
- Others financial assets	11	37.57	137.78
- Current Tax Assets (Net)	12	946.25	103.51
- Other Current Assets	13	1,452.82	1,131.92
Total Current Assets		8,613.23	6,400.39
Total Assets		18,787.20	15,627.87
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	14	2,493.99	2,493.99
Other Equity	15	9,057.86	4,764.51
Total Equity		11,551.85	7,258.49
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
- Long Term Borrowings	16	1,641.55	2,083.00
- Long Term Provisions	17	256.06	271.76
Other non-current liabilities	18	55.80	65.59
Total Non Current Liabilities		1,953.41	2,420.35
Current liabilities			
Financial Liabilities			
- Short Term Borrowings	19	217.44	-
- Trade payables	20	-	-
- Due to Micro & Small Enterprises		2,455.90	3,225.91
- Due to Other than Micro & Small Enterprises		2,323.42	2,333.70
- Other financial liabilities	21	221.76	340.44
Other current liabilities	22	63.42	48.98
Provisions	23		
Total Current Liabilities		5,281.94	5,949.02
Total Liabilities		7,235.35	8,369.37
Total Equity and liabilities		18,787.20	15,627.88

Significant accounting policies and notes to Financial Statements (Note 2)

The accompanying notes referred to above which form an integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

For Rahul Gautam Divan & Associates

Chartered Accountants

Firm Registration No.: 120294W

L.N. Goculdas

Chairman

DIN : 00459347

H.T. Kapadia

Director

DIN : 00125090

B.L. Goculdas

Managing Director

DIN : 00422783

D T Gokhale

Company Secretary

Chirag J. Shah

Chief Finance Officer

Partner

Membership No. 100733

Place : Mumbai Date: 28th May 2019



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

(₹ in Lakhs)

Particulars	Notes	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Income			
Revenue from Operations	24	23,394.59	18,040.84
Other Income	25	92.46	88.61
Total Income		23,487.04	18,129.45
Expenses			
Cost of Raw Materials Consumed	26	12,441.99	10,118.63
Purchase of Stock-in-Trade	27	-	394.19
Changes in Inventories of Finished Goods and Work in Progress	28	(125.24)	57.05
Employee Benefits Expenses	29	1,276.25	1,432.06
Finance costs	30	277.14	396.72
Depreciation and amortization expense	3	450.53	418.62
Other Expenses	31	4,455.99	3,498.00
Excise duty on sale of goods		-	256.19
Total Expense		18,776.67	16,571.47
Profit before tax		4,710.38	1,557.98
Tax Expense			
Current Tax under MAT		1,010.00	348.92
MAT Credit Entitlement		(908.78)	-
Tax impact due to OCI		3.35	(16.75)
		104.57	332.17
Profit for the year		4,605.81	1,225.81
Other Comprehensive Income			
(a)(i) Items that will not be reclassified to profit or loss		(28.67)	68.72
(ii) Income tax relating to items that will not be reclassified to Profit & Loss		6.18	(14.67)
b) i) Items that will be reclassified to Profit and Loss		13.13	9.74
ii) income Tax relating to Items that will be reclassified to Profit and Loss		(2.83)	(2.08)
Total Other Comprehensive Income		(12.19)	61.71
Total Comprehensive Income for year		4,593.62	1,287.52
Earnings per equity share (FV Rs. 10/- per share) :			
Basic & Diluted (in Rs)- Refer Note No.31		18.47	4.92

Significant accounting policies and notes to Financial Statements (Note 2)

The accompanying notes referred to above which form an integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

For Rahul Gautam Divan & Associates

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Chief Finance Officer

Partner

Membership No. 100733

Place : Mumbai Date: 28th May 2019



STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	4710.38	1557.98
Add:		
1 Depreciation and amortisation	450.53	418.62
2 Interest charged	277.14	396.72
3 Unrealised Foreign Exchange Loss / (Gain)	(5.28)	(4.36)
4 (Gain)/Loss on sale of PPE / Investments	0.48	0.74
5 Other OCI impact (Net)	(12.19)	61.71
	710.68	873.43
Less:		
1 Interest Income	20.98	35.07
2 Dividend Income	2.67	4.01
	23.65	39.08
Operating Profit before change in working capital	5397.41	2392.33
Working capital changes:		
Add / (Less):		
1 (Increase) / Decrease in inventories	(419.39)	(419.32)
2 (Increase) / Decrease in trade receivables	(807.78)	(21.60)
3 (Increase) / Decrease in Other Financial Assets	100.21	9.93
4 (Increase) / Decrease in Other non current Assets	(12.46)	65.52
5 (Increase) / Decrease in Other Current Assets	(320.90)	329.62
6 Increase / (Decrease) in trade payables	(770.01)	(539.63)
7 Increase / (Decrease) in other long term liabilities	(9.79)	(33.24)
8 Increase / (Decrease) in other financial liabilities	(10.28)	481.19
9 Increase / (Decrease) in other current liabilities	(118.67)	(99.79)
10 Increase / (Decrease) in Current Provisions	14.44	(139.85)
11 Increase / (Decrease) in Non-Current Provisions	(15.70)	122.78
	(2370.33)	(244.39)
Cash generated from operations	3027.08	2147.94
Add / (Less):		
Direct taxes paid (Net of refunds)	(947.29)	(313.79)
Net Cash inflow from Operating Activities (A)	2079.79	1834.15
B CASH FLOW FROM INVESTING ACTIVITIES:		
Add:		
1 Proceeds from sale of Property, Plant & Equipment	-	54.37
2 Interest received	20.98	35.07
3 Dividend received	2.67	4.01
	23.65	93.45
Less:		
1 Purchase of Property, Plant & Equipment / increase in Capital WIP	(1385.16)	(850.12)
2 (Purchase) / Sale of Current Investment	86.62	(161.37)
	(1298.54)	(1011.49)
Net Cash inflow from Investing Activities (B)	(1274.89)	(918.04)



STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
C CASH FLOW FROM FINANCIAL ACTIVITIES:		
Add:		
1 Receipt from issue of Equity Shares inclusive of share premium	-	-
2 Proceeds from borrowings (Non Current)	217.44	456.31
3 Proceeds from borrowings Net of repayment (Current)	-	-
4 Increase in Restricted Bank Balances other than cash & cash equivalents	(11.21)	57.25
	206.23	513.56
Less:		
1 Repayment of borrowings (Non-current)	(441.45)	-
2 Repayment of borrowings net of proceeds (Current)	-	(1024.31)
3 Interest and other finance costs	(277.14)	(396.72)
4 Payment of Equity Dividend	(300.17)	-
	(1018.76)	(1421.03)
Net Cash inflow from Financing Activities (C)	(812.53)	(907.47)
I. Net (decrease)/increase in cash and cash equivalents	(7.63)	8.64
II. Add: Cash and cash equivalents at the beginning of the period	344.30	335.66
III. Cash and cash equivalents at the end of the period	336.67	344.30

As per our report of even date

For and on behalf of the Board of Directors

For Rahul Gautam Divan & Associates
Chartered Accountants
Firm Registration No.: 120294W

L.N. Goculdas
Chairman
DIN : 00459347

H.T. Kapadia
Director
DIN : 00125090

Partner
Membership No. 100733
Place : Mumbai Date: 28th May 2019

B.L. Goculdas
Managing Director
DIN : 00422783

D T Gokhale
Company Secretary

Chirag J. Shah
Chief Finance Officer

**STANDALONE STATEMENT OF CHANGES IN EQUITY****FOR THE PERIOD ENDED 31ST MARCH, 2019****A. Equity Share Capital**

	No. of Shares	Rs. in Lakhs
As at 1st April, 2017	24,939,933	2,493.99
Changes in equity share capital during FY 2017-18	-	-
Balance as at 31st March, 2018	24,939,933	2,493.99
Changes in equity share capital during FY 2018-19	-	-
Balance as at 31st March, 2019	24,939,933	2,493.99

B. Other Equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus				
	Securities Premium Reserve	Other Reserves	Retained Earnings	Other items of Other Comprehensive Income	Total
Balance as at 31st March, 2017	1,714.90	66.59	1,688.08	7.42	3,476.99
Profit for the year	-	-	1,225.81	-	1,225.81
Other Comprehensive Income	-	-	-	61.71	61.71
Total Comprehensive Income (Net of Tax)	1,714.90	66.59	2,913.89	69.13	4,764.51
Equity Dividend Paid (Including Dividend Distribution Tax)	-	-	-	-	-
Balance as at 31st March, 2018	1,714.90	66.59	2,913.89	69.13	4,764.51
Profit for the year	-	-	4,605.81	-	4,605.81
Other Comprehensive Income	-	-	-	(12.19)	(12.19)
Total Comprehensive Income (Net of Tax)	1,714.90	66.59	7,519.70	56.94	9,358.13
Equity Dividend Paid (Including Dividend Distribution Tax)	-	-	(300.17)	-	(300.17)
Balance as at 31st March, 2019	1,714.90	66.59	7,219.53	56.94	9,057.86

Significant accounting policies and notes to Financial Statements (Note 2)

As per our report of even date

For and on behalf of the Board of Directors

For Rahul Gautam Divan & Associates
Chartered Accountants
Firm Registration No.: 120294W

L.N. Goculdas
Chairman
DIN : 00459347

H.T. Kapadia
Director
DIN : 00125090

B.L. Goculdas
Managing Director
DIN : 00422783

D T Gokhale
Company Secretary

Chirag J. Shah
Chief Finance Officer

Partner
Membership No. 100733
Place : Mumbai Date: 28th May 2019



Notes to the Standalone Financial Statements as at 31st March 2019

1 Corporate Information

The Dharamsi Morarji Chemical Company Limited is a Public Limited Company domiciled in India. Its equity shares are listed on the Bombay Stock Exchange Limited (BSE). The registered office of the Company is located at 317/21, Prospect Chambers, Dr. D.N. Road, Fort, Mumbai-400001. The Company is engaged in the business of manufacturing and selling of Commodity Chemicals and Speciality Chemicals.

Information on related party relationships of the Company is provided in Note - 42

The financial statements are authorised for issue in accordance with a resolution of the Board of Directors on 28th May, 2019

2 Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendments) Rules, 2016.

The financial statements have been prepared on a historical cost basis using the accrual method of accounting basis, except for the following assets and liabilities which have been carried at fair value:

Land classified as property, plant and equipment.

Derivative financial instruments i.e. Forward Contracts.

Certain financial assets and financial liabilities measured at fair value.

The Financial Statements are presented in Indian Rupees (INR) and all values are recorded to the nearest Lakhs. (INR '00,000) except otherwise indicated.

2.2 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

2.3 Property, plant and equipment

a) Tangible assets:

Property, Plant and equipment were carried in the balance sheet prepared in accordance with Indian GAAP on the basis of their historical cost less accumulated depreciation and impairment as on the date of transition i.e. 01.04.2016. The Company has elected to regard those written down values as deemed cost as at the date of the transition as per the option available to the Company, as fair value, while adopting Ind AS for the first time except for certain Land acquired by the Company upon merger of erstwhile Borax Morarji Limited has been stated at fair value as per the valuation report obtained by the Company.

Property, Plant and Equipment are stated at cost of acquisition or construction, including attributable interest and financial costs till such assets are ready for its intended use, less accumulated depreciation, impairment losses and specific grants received, if any.

The expenditure incurred during the period of construction (including cost of trial runs, stores issued, expenses on labour allocated for such purpose) is debited to capital work-in-progress and on completion, the costs are allocated to the respective items of Property, Plant and Equipment. Interest on specific borrowings relating to acquisition of fixed assets is capitalised up to the date of commissioning.

Derecognition:

An item of property, plant and equipment initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset



Notes to the Standalone Financial Statements as at 31st March 2019

(calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is measured at their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Derecognition:

An item of intangible initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.4 Depreciation/Amortization:

Depreciation on all items of Property, Plant and Equipment is provided for on Straight Line basis over the estimated useful life specified in schedule II to the Companies Act, 2013.

Depreciation on additions and deletions during the year is provided on pro-rata basis.

Cost of leasehold land is amortised over the period of lease.

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

2.5 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.6 Non Current Assets held for Sale

Non current assets are classified as held for sale, if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair



Notes to the Standalone Financial Statements as at 31st March 2019

value less cost to sale. Losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognized in the Statement of Profit and Loss. Once classified as held for sale, Property, plant and Equipment and Intangible Assets are no longer depreciated or amortized.

2.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended period when active development activities on the qualifying assets is interrupted. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.8 Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials: purchase cost on a weighted average basis

Cost of Finished goods and work in progress include materials cost, cost of conversion, depreciation, other overheads to the extent applicable but excluding borrowing costs

2.9 Trade receivables

Trade receivables are carried at original invoice amount less any provisions for doubtful debts. For the Expected Credit Loss (ECL) simplified approach is adopted by the Company as permissible. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollectable it is written off, firstly against any provision available and then to the income statement.

2.10 Revenue recognition

Revenue from sale of goods is recognized at the fair value of the consideration received or receivable, net of returns and trade discounts, rebates, GST.

Revenue from the sale of goods is recognised when (a) It is probable that the economic benefits associated with the transaction will flow to the entity and the amount of revenue can be measured reliably. (b) The significant risks and rewards of ownership of the goods have been passed to the buyer; and (c) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold and returns.

Goods sold on consignment are recorded as inventory until goods are sold by the consignee to the end customer.

Export sales are recognised based on the shipped on board date as per bill of lading when significant risk and rewards of ownership are transferred to the customer.

Export benefits available under prevalent schemes are accounted to the extent considered receivable. These are presented as other operating income in the Statement of Profit & Loss.

Earning from sale of power generated from Wind Mills is accounted for on tariff rate agreed and as per Power Purchase agreement with respective Electricity Board.

Royalty and service income are recognized on an accrual basis in accordance with the terms of the relevant contractual agreement.

Interest income is recognised on accrual basis.

Insurance claims are accounted for on the basis of claims admitted /expected to be admitted and to the extent that there is no uncertainty in receiving the claims.



Notes to the Standalone Financial Statements as at 31st March 2019

Dividend income on investment is recognized in the Statement of Profit and Loss Account on the date on which the Company's right to receive is established.

The Company earns revenue primarily from sale of products.

The Company has applied Ind AS 115 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under erstwhile Ind AS 18 and Ind AS 11. The new Standard is applied to contracts that were remaining in force as at 1st April, 2018. The application of the standard does not have any significant impact on the retained earnings as at 1st April, 2018 or on these financial statements. The details of accounting policies under erstwhile Ind AS 18 and Ind AS 11 are disclosed separately if they are different from those under Ind AS 115.

2.11 Foreign Exchange Transactions

Transactions in foreign currencies are initially recorded by the Company at the rate prevalent on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the closing rates of exchange at the reporting date.

Differences arising on settlement or year end conversion of monetary items are recognised in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are converted using the exchange rates at the dates of the initial transactions.

2.12 Employee Benefits

Contribution Plans:

Contributions to the Company's Provident Fund, Family Pension Fund, Superannuation Fund are being charged to the Statement of Profit and Loss.

Benefits Plans:

The Company has the scheme which enables employees to encash the accumulated privilege leave (upto stipulated limits) on retirement. The 'Company's liability in respect of this leave encashment scheme is determined on the basis of actuarial valuation and the same is charged to the Statement of Profit & Loss and is unfunded. Gratuity Benefits (based on actuarial valuation) is charged to Statement of Profit & Loss and is unfunded.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The service cost and the net interest cost are charged to the Statement of Profit and Loss. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the actuarial assumptions used for valuation. The Company recognizes these re-measurements in the Other Comprehensive Income (OCI).

2.13 Taxes

Current income tax

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

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Significant management judgment is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax could change if estimates of projected future taxable income or if tax regulations undergo a change.



Notes to the Standalone Financial Statements as at 31st March 2019

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is reviewed at each reporting date.

The benefit of credit against the payment made towards Minimum Alternate Tax for the earlier years is available in accordance with the provisions of the section 115JAA of Income Tax Act, 1961 over the period of subsequent 15 assessment year. The Company recognises MAT Credit Available as an Asset only to the extent that there is convincing evidence that the Company will pay Normal Income Tax during the specified period, i.e. the period for which MAT Credit is allowed to be carried forward. The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

2.14 Provisions, Contingent Liabilities and Contingent Assets:

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss.

Contingent Liabilities

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by the future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets

Contingent Assets are only disclosed when it is probable that the economic benefits will flow to the Company.

2.15 Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.16 Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred (measured at acquisition date at fair value) and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Company recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.



Notes to the Standalone Financial Statements as at 31st March 2019

2.17 Current and Non current Classification

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

An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period .

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

2.18 Financial Instruments

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

a) Financial Assets

Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(i) Financial assets

Cash and bank balances

Cash and bank balances consist of :

- Cash and Cash equivalents - which includes Cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of Cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.



Notes to the Standalone Financial Statements as at 31st March 2019

- Other bank balances - which includes balances and deposits with banks that are restricted for withdrawal and usage.

Financial assets at amortised cost

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

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investment in Subsidiaries

Investment in Subsidiaries is carried at cost in the financial statements

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income. The Company recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

b) Financial Liabilities and Equity Instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs, if any.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, during the effective interest rate method where the time value of money is significant. Interest bearing issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.



Notes to the Standalone Financial Statements as at 31st March 2019

Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including cash credit accounts and derivative financial instruments like Forward Cover Contracts.

Financial liabilities are classified, at initial recognition, as at fair value through profit and loss or as those measured at amortised cost.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading.

The Company has not designated any financial liabilities upon initial recognition at fair value through profit and loss.

De-recognition of Financial Liabilities

The Company de-recognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expired.

2.19 Derivative Financial Instruments

The company holds derivative financial instruments such as foreign exchange forward contracts generally to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank and these are generally designated as hedges. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date. The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

2.20 Fair value measurement

The company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: • In the principal market for the asset or liability, or • In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: • Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities • Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable • Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company's management determine the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets



Notes to the Standalone Financial Statements as at 31st March 2019

measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.21 Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on evaluation every three years performed by an accredited external independent valuer, at every 3 years rest, by applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

2.22 Cash & Cash equivalents and Short Term deposits

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

2.23 Research and Development Costs

Research costs are expensed as incurred. Development expenditure on an individual project are recognized as an Intangible asset when the Company can demonstrate; (i) Technical feasibility of completing the intangible asset so that the asset will be available for use or sale (ii) It's intention to complete and its ability and intentions to use or sell the asset (iii) How the asset will generate future economic benefits (iv) the availability of resources to complete the asset (v) the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefits. Amortization expenses is recognized in the Statement of Profit and Loss. During the period of development, the asset is tested for impairment annually.

2.24 Cash dividend to equity Shareholders:

The Company recognises a liability to make cash or distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.25 Dividend on Preference Shares

Dividend including Dividend Distribution Tax thereon Rs.8.44 Lakhs for the year ended 31st March 2019 (Previous year Rs. 8.21 Lakhs) are accounted for under finance charges.



NOTES FORMING PART OF FINANCIAL STATEMENTS

Rs. in Lakhs

Note 3. Property, Plant and Equipment :

i) Tangible Assets

Particulars	Free Hold Land	Lease Hold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computer	Total	Capital work in progress
Gross carrying amount										
Deemed cost as at 1st April, 2018	286.28	1855.97	1961.29	4389.53	72.94	94.59	80.40	46.15	8787.15	
Additions	-	-	91.26	1437.74	3.83	-	6.71	8.94	1548.48	
Disposals/ Reclassification	-	-	-	-	-	-	-	-	-	
Exchange differences	-	-	-	-	-	-	-	-	-	
As at 31st March, 2019	286.28	1855.97	2052.55	5827.27	76.77	94.59	87.11	55.09	10335.63	-
Accumulated Depreciation										
As at 1st April, 2018	-	84.91	198.02	1155.95	12.45	26.89	17.08	30.91	1526.21	
Depreciation charge for the year	-	20.88	62.69	302.05	8.47	16.57	14.73	10.40	435.79	
Impairment	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	-	-	
Exchange differences	-	-	-	-	-	-	-	-	-	
As at 31st March, 2019	-	105.79	260.71	1,458.00	20.92	43.46	31.81	41.31	1,962.00	-
Net book value										
As at 1st April, 2018	286.28	1,771.06	1,763.27	3,233.58	60.49	67.70	63.32	15.24	7,260.94	264.50
As at 31st March, 2019	286.28	1,750.18	1,791.84	4,369.27	55.85	51.13	55.30	13.78	8,373.63	84.15

ii) Intangible Assets

Particulars	Software	Goodwill	Total	Intangible Assets under Development
Gross carrying amount				
Deemed cost as at 1st April, 2018	43.82	1,465.10	1,508.92	
Additions	16.44	-	16.44	
Disposals	-	-	-	
As at 31st March, 2019	60.26	1,465.10	1,525.36	-
Accumulated Depreciation				
As at 1st April, 2018	24.03	-	24.03	
Depreciation charge for the year	14.74	-	14.74	
Impairment	-	-	-	
Disposals	-	-	-	
As at 31st March, 2019	38.77	-	38.77	-
Net book value				
As at 1st April, 2018	19.79	1,465.10	1,484.89	
As at 31st March, 2019	21.49	1,465.10	1,486.59	-



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 4. Other non Current Assets

	Rs. in Lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Unsecured, Considered Good		
Security deposits	201.76	189.30
Less: Provision for doubtful security deposit	(28.00)	(28.00)
	173.76	161.30

Note 5. Non Current Investments

	As at 31st March, 2019		As at 31st March, 2018	
	No of shares	Rs. In Lakhs	No of shares	Rs. In Lakhs
Investments in Equity Instruments				
Unquoted equity instruments				
Investment in Wholly Owned Subsidiaries fully paid up (at Cost)				
Fully Paid Equity shares of € 50 each of Borax Morarji (Europe) GmbH, Germany, #	500.00	16.77	500.00	16.77
Others				
Fully Paid Equity Shares of Rs. 10/- each in Janakalyan Sahakari Bank Ltd.	369,250	36.92	369,250.00	36.92
Fully Paid Equity Shares of Rs. 10/- each in Saraswat Co-operative Bank Ltd.	1,000	0.10	1,000.00	0.10
Fully Paid Equity Shares of Rs. 25/- each in Shamrao Vitthal Co-operative Bank Ltd.	25	0.01	25.00	0.01
Fully Paid Equity Shares of Rs. 50/- each in Dombivali Nagari Sahakari Bank Ltd	3000	1.50	3,000.00	1.50
Fully Paid Equity Shares of Rs. 10/- each in Indian Potash Ltd.	33000	0.55	33,000.00	0.55
Aggregate amount of unquoted Investments		55.85		55.85

Note 6 Inventories (Basis of Valuation - Refer Note 2.8)

	As at 31st March, 2019	As at 31st March, 2018
Raw Materials	911.40	804.78
Raw Material in Transit	-	19.12
Packing Materials	96.67	72.86
Work-in-Process	96.60	69.35
Finished Goods	762.97	610.64
Traded Goods	-	54.21
Stores and Spares	622.47	439.76
	2,490.11	2,070.72

Note

Inventories of Roha Unit in the state of Maharashtra and Dahej Unit in the state of Gujarat amounting to Rs. 2490.11 Lacs (Previous Year - Rs. Nil) are offered as security by way of hypothecation of Raw Materials, Finished Goods, Working in process, Packing Materials, Stores, Book Debts and Receivable for working capital facility provided by Bank.



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 7. Current Investments

	As at 31st March, 2019		As at 31st March, 2018	
	No of Units	Rs. In Lakhs	No of Units	Rs. In Lakhs
Investment in Mutual Funds **				
BSL Growth Medium Term Regular	125,812	28.67	125,812	27.63
BSL Growth Short term Term Regular	40,589	29.08	40,589	26.96
ICICI Prudential Flexible Income Growth	8,074	28.95	8,074	26.90
ICICI Prudential Equity Arbitrage Fund -Dividend	181,875	24.77	181,875	24.79
IDFC ArbitrageFund Growth	120,279	28.01	120,279	26.38
IDFC Corpoarte Advantage Bond Fund Regulars Plan Growth	463,158	58.97	463,158	55.02
UTI - Treasury Advantage Institutional Plan Growth	1,122	28.92	1,122	26.86
IDFC Arbitrage Fund Reg (MD)		-	786,102	99.52
Units Trust of India	12,930	3.56	11,984	3.49
		230.93		317.55

** Investments in all mutual funds are stated at NAV at the year end and as workout at FVTOCI.

Note 8. Trade Receivables (Current / Unsecured)

	As at 31st March, 2019		As at 31st March, 2018	
Considered Good	3,010.85		2,197.79	
Considered Doubtful	-		-	
		3,010.85		2,197.79
Less:				
Provision for doubtful debts		-		-
		3,010.85		2,197.79

Receivables of Rs. 3010.85 Lacs (Previous Year Rs. Nil) pertaining to Roha Unit in the State of Maharashtra and Dahej Unit in the State of Gujarat are hypothecated as security for working capital facility provided by the Bank.

Before accepting any new customer, the Company has appropriate levels of control procedures which ensure the potential customer's credit quality.

Generally, the Company supplies as per the order received from its customers. The average Credit period on sale is 30-90 days

Note 9. Cash and Cash Equivalents

	As at 31st March, 2019	As at 31st March, 2018
Bank Balances in Current Accounts	334.08	342.10
Cash on hand	2.59	2.20
	336.67	344.30

Note 10. Bank balances other than Cash and Cash equivalents

	As at 31st March, 2019	As at 31st March, 2018
Unpaid Dividend Account	14.88	0.83
Margin Money Deposit Account	93.15	95.99
	108.03	96.82



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 11. Other Current financial assets

	As at 31st March, 2019	As at 31st March, 2018
Fixed Deposit with bank more than 12 months	37.57	137.78
	37.57	137.78

Note 12. Current Tax Assets (Net)

	As at 31st March, 2019	As at 31st March, 2018
Income tax (Net of Provision for Taxation)	37.47	103.51
MAT Credit Entitlement	908.78	-
	946.25	103.51

Rs. in Lakhs

MAT Credit Entitlement of Rs. 908.78 Lakhs recognized in the Current Year as the Management is confident of payment of Normal Tax in the foreseeable future.

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2019

	As at 31st March, 2019	As at 31st March, 2018
Accounting Profit before Income tax	4710.38	1557.98
At India's statutory income tax rate of 29.12% for FY 2018-19 & 28.84% for FY 2017-18	1371.66	449.32
Adjustments in respect of current income tax w.r.t. MAT tax rate and Normal tax rate	(361.66)	(117.15)
Current tax- MAT	1010.00	332.17
At the effective income tax rate	21.44%	21.32%

The Company fall under the provisions of MAT u/s 115 JB and the applicable Indian Statutory Tax Rate for the year ended

31st March 2019 and 31st March 2018.

Note 13. Other Current Assets (Unsecured, considered good)

	As at 31st March, 2019	As at 31st March, 2018
Balances with Excise, Sales Tax, Customs & other Government bodies	437.36	312.49
Pre-paid Expense	78.82	64.94
Others advances	12.00	15.33
Others*	924.64	739.15
	1,452.82	1,131.92

*Others include Rs. 500.00 lakhs receivable in respect of sale of Land at Ambarnath in earlier years by erstwhile Borax Morarji Ltd. The Company is pursuing the matter for obtaining the necessary approval from the Government of Maharashtra, on receipt of which the Conveyance deed will be executed and registered in due course.



NOTES FORMING PART OF FINANCIAL STATEMENTS

*Others include Rs. 156.48 lakhs paid as Pre-deposit Demand of Differential Duty by CESTAT for the Appeal against the Order of Commissioner (Appeals), Mumbai of Customs. The Appeal is pending at CESTAT, Mumbai, and will come up for hearing in course of time. (Refer Note. 32)

Note 14. Equity Share Capital

	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Rs.Lakhs	No. of Shares	Rs.Lakhs
Authorized Share Capital				
Equity Shares of Rs.10/- each	40,000,000	4,000.00	40,000,000	4,000.00
	40,000,000	4,000.00	40,000,000	4,000.00
Shares issued, subscribed and fully Paid up				
Equity Shares of Rs.10 each	24,939,933	2,493.99	24,939,933	2,493.99
	24,939,933	2,493.99	24,939,933	2,493.99

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at 31st March, 2019		As at 31st March, 2018	
Equity Shares :	No. of Shares	Rs.Lakhs	No. of Shares	Rs.Lakhs
Equity Shares at the beginning of the year	24,939,933	2,493.99	24,939,933	2,493.99
Add: Shares Issued during the year	-	-	-	-
Add: Shares Issued during the year pursuant to the scheme of Armalgamation	-	-	-	-
Equity Shares at the end of the year	24,939,933	2,493.99	24,939,933	2,493.99

Terms and Rights attached to Equity Shares

The Company is having only one class of Equity shares having a nominal value of Rs.10/- per share.

Every holder of the equity share of the Company is entitled to one vote per share held

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

Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held

	As at 31st March, 2019		As at 31st March, 2018	
	Numbers	% held	Numbers	% held
Shri Laxmikumar Narottam Goculdas	8,827,231	35.39%	8,862,093	35.53%



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 15. Other Equity

	Rs. in Lakhs	
	As at 31st March, 2019	As at 31st March, 2018
i. Security Premium Reserves	1,714.90	1,714.90
ii. Other Reserves	66.59	66.59
iii. Retained Earnings	7,219.53	2,913.89
iv. Other Comprehensive Income	56.94	69.13
	9,057.96	4,764.51
i. Security Premium Reserves		
	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the year	1,714.90	1,714.90
Add: Premium on shares issued during the year	-	-
Balance at the end of the year	1,714.90	1,714.90

Securities premium reserve is used to record the premium on issue of shares. The reserve is eligible for utilisation in accordance with the provision of the Company Act 2013.

ii. Other Reserve

	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the year	66.59	66.59
Add: Premium on shares issued during the year	-	-
Balance at the end of the year	66.59	66.59

Other reserve represents Capital subsidy received from various state Government

iii. Retained Earnings

	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the year	2,913.89	1,688.08
Add: Profit for the year	4,605.81	1,225.81
Less: Equity Dividend Paid (Including Dividend Distribution Tax)	-300.17	-
Balance at the end of the year	7,219.53	2,913.89

Retained earnings are used from time to time to transfer profits from retained earnings for appropriation purposes. The amount that can be distributed by the Company as dividend to its equity shareholders is determined as per the provision of the Companies act and the dividend distribution policy of the Company.

iii. Other Comprehensive Income

	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the year	69.13	7.42
OCI for the year	(12.19)	61.71
Balance at the end of the year	56.94	69.13

OCI represents the cumulative gains and losses arising on the revaluation of financial assets and liabilities measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 16. Long Term Borrowings

	Rs. in Lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Term Loan		
From Bank		
(a) Secured		
(i) Car Loan from a bank	25.42	40.75
(ii) Project Loan from bank	243.10	-
(iii) Mortgage Loan from bank	718.15	922.48
	986.67	963.22
From Other Parties (Unsecured)		
(b) Unsecured		
Deferred Liabilities-Interest Free Sales Tax Loan from MEDA **	29.41	59.30
Fixed Deposits	-	-
	29.41	59.30
Loans from related parties		
(i) Inter Corporate Deposits	-	60.00
(ii) Loans from a Promoters	345.47	720.47
	345.47	780.47
2,80,000 Redeemable Preference Shares of Rs.100/-each ***	280.00	280.00
Total Long Term Borrowings	1,641.55	2,082.99

(a) (i) Car Loan from a bank

Loans against vehicles are for a period of three to five years and repayable by way of equated monthly installment, Interest rate ranges between 9.50 to 10.25%. Secured against hypothecation of Vehicles.

Out of total outstanding Car loan as on 31st March, 2019 of Rs. 40.84 lakhs, amount due in next twelve months is Rs. 15.42 Lakhs, which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities' (See Note No. 21 (1)(ii)). The balance Term Loan of Rs. 25.42 Lakhs is shown above as Car loan from a bank.

(a) (ii) Project Loan from bank

Repayable in 36 EMI's commencing from 27.07.2015. Rate of interest is 10.25% to 12%. 21 EMIs have been paid in time, up to 31st March, 2018 and 3 are remaining to be paid as on that date.

Secured against mortgage of all the fixed assets of the Company, both present and future, situated at Roha.

Out of total outstanding term loan as on 31st March, 2019 of Rs. 302.58 Lakhs, amount due in next twelve months is Rs.59.48 Lakhs, which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities' (See Note No. 21 (1)(iii)). The balance Term Loan of Rs.243.10 Lakhs is shown above as Project Loan.

(a) (iii) Mortgage Term Loan from Bank:

Repayable in 60 EMI's will commen from 27.04.2018. Rate of interest is 10.25%,

Secured against mortgage of all the fixed assets of the Company, both present and future, situated at Roha.

Out of total outstanding mortgage loan as on 31 st March 2019 of Rs. 915.50 Lakhs, amount due in next twelve months is Rs.197.35 Lakhs, which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities' (See Note No.21 (1)(v)) The balance Term Loan of Rs. 718.15 Lakhs is shown as Mortgage Term Loan from Bank as above.



NOTES FORMING PART OF FINANCIAL STATEMENTS

** Interest free Sales Tax Loan from MEDA

Interest free Sales Tax Loan from MEDA is repayable in 30 equal installment starting from May 2010 and ending May 2023

Out of total outstanding Interest free Sales Tax Loan as on 31st March 2019 of Rs.77.13 Lakhs, amount due in next twelve months is Rs. 51.37 Lakhs, which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities' (See Note No. 21 (1)(vi)) The balance Term Loan of Rs.77.13 Lakhs is shown as Interest free Sales Tax Loan as above.

*** Non- Convertible Preference Shares

Long Term Borrowing includes 280000, 2.5% Cumulative redeemable non-convertible Preference Shares of Rs.100/- each aggregating to Rs.280 crores which has been classified as Financial Liabilities as per requirements of Ind As 32 "Financial instrument presentation". These Preference Shares were repayable in 16 equal yearly installment of Rs.17.50 lakhs each commencing from 1st April 2012. However, Company had approached and requested the Preference share holder for further extension of time for the redemption of the said Preference Shares. Preference share holder has agreed for further extension of time for the redemption of the said Preference shares any time upto 31st March 2022.

The Company has Authorised to issue 20,00,000 Cumulative redeemable Preference shares of Rs.100/- each (payable at par) out of which the Company has issued 2,80,000, 2.5% Cumulative redeemable non-convertible Preference Shares of Rs.100/- each fully paid up.

The Dividend as when declared by the Company shall be paid to the shareholder on the record date, which Board may fix from time to time. If in any year, the company has not declared any dividend on the said Preference shares, the right to the dividend shall be accumulated and the accumulated dividend will be paid out of the profits, if any, of the subsequent financial years.

Note 17. Long Term Provisions

	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits		
Provision for Gratuity	180.98	210.91
Provision for Leave benefit	75.08	60.85
	256.06	271.76

Note 18. Other Non-Current Liabilities

	As at 31st March, 2019	As at 31st March, 2018
(i) Advance received against sale of Land at Navlakhi	-	-
(ii) Security Deposits from distributors and others	34.51	34.49
(iii) Security Deposits received against Royalty	21.29	31.10
	55.80	65.59

Note 19. Short Term Borrowings

	As at 31st March, 2019	As at 31st March, 2018
From Banks		
Secured		-
Cash Credit from Bank	217.44	
	217.44	
	217.44	-



NOTES FORMING PART OF FINANCIAL STATEMENTS

Bank has sanctioned Working Capital facility against hypothecation of Raw Materials, Finished Goods, Working in process, Packing Materials, Stores, Book Debts and Receivable, current and future. Inventories and Receivables of Roha Unit in the state of Maharashtra and Dahej Unit in the state of Gujarat are offered as security and Mortgage of Office Premises of the Company situated at Mumbai.

Note 20. Trade Payables

	As at 31st March, 2019	As at 31st March, 2018
(i) Trade Payable (*)	2,099.06	2,275.36
(ii) Bills Payable	356.84	950.55
	2,455.90	3,225.91

20.1 Payment towards trade is made as per the terms and condition of the contract/purchase order. Average Credit period is 30-90 days

20.2 (*) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues at the Balance Sheet date, computed on unit wise basis. Further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the year ended on the Balance Sheet date, nor is any interest payable to any Micro, Small and Medium Enterprises (MSME) on the Balance sheet date. The information on MSME has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note 21. Other Financial Liabilities

Rs. in Lakhs

	As at 31st March, 2019	As at 31st March, 2018
1 Current maturities of long-term debt		
(i) Current maturities of Working Capital Term Loan *	-	76.34
(ii) Current maturities of Long Term Debts (Car Loan)	15.42	15.73
(iii) Current maturities of Long Term Debts (Project Loan)	59.48	13.03
(iv) Current maturities of Long Term Debts (Property Loan) *	-	57.23
(v) Current maturities of Mortgage Loan	197.35	177.52
(vi) Current maturities of Interest free Sales Tax Loan from MEDA	39.55	51.37
	311.80	391.22
2 Unpaid Dividend (Amount Transferable to Investor Education & Protection Fund when due)	14.88	0.83
3 Unpaid Matured Fixed Deposits (Unclaimed)	1.61	28.62
4 Unpaid Interest on Fixed Deposits	-	0.01
	328.29	420.68
5 Dividend payable on preference shares	4.94	84.15
6 Others Payable		



NOTES FORMING PART OF FINANCIAL STATEMENTS

Rs. in Lakhs

	As at 31st March, 2019	As at 31st March, 2018
Trade Deposit	93.51	122.57
Advance received from customers	152.72	33.79
Advance received against sale of Asset	668.00	550.00
Others	1,075.96	1,122.50
	1,990.19	1,828.86
	2,323.42	2,333.70

* During the year Company has repaid the Current maturities of Working Capital Term Loan and Property Loan.

Note 22. Other Current Liabilities

	As at 31st March, 2019	As at 31st March, 2018
Statutory dues payable	74.55	40.22
Due to Employee	147.21	300.22
	221.76	340.44

Note 23. Provisions (Current)

	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits		
Provision for Gratuity	56.49	44.60
Provision for Leave benefits	6.93	4.38
	63.42	48.98



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 24. Revenue from Operations

Rs. In Lakhs

	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Revenue from Contracts with Customers		
Sale of Chemical Products	23,162.71	17,688.82
Other Operating Revenues		
- Royalty	80.97	72.94
- Export Incentives	105.28	238.02
- Wind Mills	45.64	41.06
	<u>231.88</u>	<u>352.02</u>
	23,394.59	18,040.84
Revenue from Contracts with Customers		
1. Disaggregated revenue information		
Set out below is the disaggregation of the Company's revenue from contract with Customers:		
Segment		
Chemicals	23,088.88	17,281.65
Traded sales	<u>73.83</u>	<u>407.17</u>
	23,162.71	17,688.82
Geographical		
India	15,529.75	12,653.83
Outside India	<u>7,632.96</u>	<u>5,034.99</u>
	23,162.71	17,688.82
Timing of Revenue Recognition		
Goods transferred at a point in time	23,162.71	17,688.82
2. Contract Balances		
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers		
Trade Receivables	3,010.85	2,197.79
Contract Liabilities		
Advances from Customers	152.72	33.79
3. Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
Revenue as per contracted price	23,760.70	18,271.91
Adjustments	-	-
Significant financing component	-	-
Sales return	113.98	98.27
Rebate	-	-
Discount	484.01	484.82
Revenue from contract with customers	23,162.71	17,688.82
4. The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31st March, 2019:		
Advances from customers	152.72	33.79

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 25. Other Income

Rs. In Lakhs

	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Interest Income	20.98	35.07
Dividend Income	2.67	4.01
Other non -operating income	68.81	49.53
	92.46	88.61

Note 26. Cost of Material Consumed

	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Consumption of Raw Materials	12,137.40	9,848.58
Consumption of packing materials	304.59	270.05
	12,441.99	10,118.63

Note 27. Purchase of Stock in Trade

	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Purchased of Goods Traded	-	394.19
	-	394.19

Note 28. Changes in inventories of Finished Goods, Work in process and Stock in Trade

	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Inventory at the beginning of the year		
Work in Process	69.35	48.76
Finished Goods	610.77	647.31
Traded Goods	54.21	95.20
	734.33	791.27
Inventory at the end of the year		
Work in Process	96.60	69.24
Finished Goods	762.97	610.77
Traded Goods	-	54.21
	859.57	734.22
	(125.24)	57.05



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 29. Employee Benefits Expense

Rs. In Lakhs

	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Salaries and Wages (Net after Repairs)(*)	1,101.67	1,141.18
Contribution to Provident Fund (NOT REQUIRED AS PER SCHE III	74.37	55.61
Contribution to Other Funds (Gratuity, Superannuation,etc)	(0.23)	144.18
Staff Welfare Expenses	100.44	91.09
	1,276.25	1,432.06
(*) Salaries & Wages allocated to Repairs etc.	38.61	33.27

Note 30. Finance Cost

	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Finance Cost		
Interest Paid to Banks	136.18	197.90
Interest paid to Others	130.33	190.61
Dividend on Preference Shares (Including Dividend Distribution Tax)	10.63	8.21
Total	277.14	396.72

Note 31. Other Expenses

	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Power, Fuel and Water	1,122.25	910.92
Repairs to buildings	58.41	19.02
Repairs to machinery	1,228.16	697.80
Insurance	53.94	38.82
Rates and taxes	53.24	22.93
Commission to Non-whole time Directors	12.29	-
Internal handling, Freight and carriage outward	573.64	491.45
Net loss/(gain) on foreign currency transactions	(5.28)	3.72
Auditors' Remuneration		
Audit fees	8.00	10.00
For other services	4.00	4.99
Reimbursement of out of pocket expenses	0.33	0.63
	12.33	15.62
Sundry balances written off / (written back) (net)	15.71	(16.95)
Written Down Value Assets Scrapped/Loss on Sale of Fixed Assets/Investments	0.48	0.74
Miscellaneous expenses *	1,330.81	1,313.94
	4,455.99	3,498.00

*None of the item individually accounts for more than Rs.10,00,000/- or 1% of revenue whichever is higher.



NOTES FORMING PART OF FINANCIAL STATEMENTS

32 Contingent Liabilities

		Rs. In Lakhs	
		As at 31st March, 2019	As at 31st March, 2018
A	Contingent Liabilities		
(i)	Outstanding claims in respect of Excise Duty, etc.	1750.51	195.91
(ii)	Guarantees issued by banks	35.35	42.80
(iii)	Claims against Company not acknowledged as debts	55.76	55.76

The Company has reviewed all its pending litigations & proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable. The Company does not expect the outcome of these proceedings to have materially adverse effect.

The Company has received Differential Duty demand of Rs.14.33 Crores (on Import of crude/un-refined Sulphur during the period 2004-2005 to 2008-2009, provisionally assessed then), at concessional rate of Basic Customs Duty in term of Entry at Sr. No. 60 of Notification No. 21/2002- Cus dated 01.03.2002 which granted concessional rate of basic customs duty on the import of "Crude or unrefined Sulphur" falling under Chapter Sub-heading No. 2503 00 of Customs Tariff). The Company has now filed Appeal before CESTAT being Appeal No. C/89904/2018 – DB dated 2nd January 2019 (against the Order dated 07.02.2018 of the Commissioner (Appeals), Mumbai) and deposited an amount of Rs.1.43 Crores (being the 10% of the alleged demand of differential duty of Rs. 14.33 Crores), as a condition precedent for the Appeal before the CESTAT. The Appeal is pending at CESTAT, Mumbai, and will come up for hearing in course of time. Based on the legal advice the Company is confident to successfully succeed in the appeal.

The company had imported Rock Phosphate (for the manufacture of Fertilizer viz. Single Superphosphate) and the Bill of Entry for the consignments of Rock Phosphate imported during the period 2005-2006 to 2007-2008, were provisionally assessed and goods were allowed to be cleared with "Nil" Special additional Duty (SAD for short) falling under Chapter heading, Sub-heading or tariff item "31 or any other chapter" of the first Schedule of Customs Tariff. Subsequently, the Department raised an alleged demand of Rs.1.21 crores on account of the enhancement of declared value (Invoice value on which duty was assessed provisionally) and denial of 'Nil' (SAD) under Notification- 20/2006-Cus dated 1.3.2006 on the alleged ground that the Company had allegedly failed to submit the relevant documents which could prove that the imported Rock Phosphate was used for the manufacturing of "fertilizer". The Company has now filed Appeal before CESTAT being Appeal No. C/89910/2018 – DB dated 2nd January 2019 (against the Order dated 07.02.2018 of the Commissioner (Appeals),Mumbai.)and deposited an amount of Rs.12.16 Lakhs being the 10% of the alleged demand of Rs. 1.21 Crores. The Appeal is pending at CESTAT , Mumbai and will come up for hearing in course of time. Based on the legal advice the Company is confident to successfully succeed in the appeal.

33 Commitments

		Rs. In Lakhs	
		As at 31st March, 2019	As at 31st March, 2018
Estimated Amount of Contracts remaining to be executed on Capital Account & not provided for (Net of Advances)		181.16	151.40

34 In view of the "Unabsorbed Depreciation" & "Unabsorbed Business Losses" accruing from the past years, there is no normal tax payable in the year ended 31st March, 2019 and for the year ended 31st March, 2018. In view of book profit in the current year in terms of Section 115JB of the Income Tax Act, 1961, provision has been made for Rs. 1,010.00 Lakhs towards Minimum Alternate Tax(MAT) during the year ended 31.03.2019 (Previous year Rs. 348.92 Lakhs)

35 There is only one reportable segment i.e chemicals business of the Company.



NOTES FORMING PART OF FINANCIAL STATEMENTS

36 Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The change did not have a material impact on the financial statements of the Company.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's financial statements.

Amendments to Ind AS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Company's financial statements.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

37 Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a Company meeting the applicability threshold needs to spend at least 2% of its average net profits for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. Due to the average Net Profit of the Company is being negative, Company is not required to spend any amounts towards Corporate Social Responsibility (CSR) activities during the year.



NOTES FORMING PART OF FINANCIAL STATEMENTS

38 Earning Per Share:

EPS amount are calculated by dividing the profit for the year attributed to Equity holders of the Company by weighted average number of Equity shares outstanding during the year.

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Rs. lakhs	Rs. lakhs
Profit attributable to Equity share holder of the Company	4605.81	1225.81
Weighted Average Number of Equity Shares	24939933	24939933
Earning per Equity Shares (Basic & Diluted)	18.47	4.92

39 Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company, through three layers of defence namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the Risk management policies. The risks are identified at business unit level and mitigation plan are identified, deliberated and reviewed at appropriate forums.

A Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see (i));
- liquidity risk (see (ii)); and
- market risk (see (iii)).

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments. The carrying amount of financial assets represents the maximum credit risk exposure.

Trade receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

Expected credit loss for trade receivables:

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss and accordingly provision is made for the doubtful debts.

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets.



NOTES FORMING PART OF FINANCIAL STATEMENTS

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's finance and accounts department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Company. The currencies in which the Company is exposed to risk are generally USD and EUR. The Company follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contract.

Exposure to currency risk - Unhedged

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Currency		Rs. in Lakhs	Currency		Rs. in Lakhs
Trade Receivables	USD	1126924	671.38	USD	880907	571.29
	EURO	226120	175.70	EURO	135202	107.00
			847.08			678.29
Trade Payable	USD	(214351)	(148.27)	USD	(430892)	(281.56)
Net Exposure to Currency Risk			698.81			396.73

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD and EUR against all other currencies at 31 March would have affected the measurement of financial exposure denominated in a foreign currency and affected equity and profit or loss by the amounts shown below.

Movement of USD and EUR and its effect on financial exposure on P & L . (1% variation +/-)

	As at 31st March, 2019		As at 31st March, 2018	
	Profit or Loss		Profit or Loss	
	Strengthening	Weakening	Strengthening	Weakening
USD 1% Movement	5.23	(5.23)	2.90	(2.90)
EURO 1% Movement	1.76	(1.76)	1.07	(1.07)



NOTES FORMING PART OF FINANCIAL STATEMENTS

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees of fixed rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate.

B Capital management

For the purpose of Company's Capital Management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's Capital Management is to maximise the share holder value.

The Company manages its capital structure and make adjustment in light of changes in economic conditions and requirements co venants.

40 Other Additional information :

(i) VALUE OF RAW MATERIALS AND BOUGHTOUTS, STORES, SPARES AND COMPONENTS CONSUMED

	Year Ended			
	31st March, 2019		31st March, 2018	
	Rs. in Lakhs	%	Rs. in Lakhs	%
Raw Materials and Boughtouts:				
Imported	1933.60	15.93	1618.70	16.44
Indigenous	10203.80	84.07	8229.88	83.56
	12137.40	100.00	9848.58	100.00

	31st March, 2019	31st March, 2018
	Rs. Lakhs	Rs. Lakhs
Stores, Spares and Components:		
Indigenous	661.48	455.14
(ii) VALUE OF IMPORTS CALCULATED ON CIF BASIS :		
Raw Materials & Boughtouts	1812.88	1429.58
(iii) EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF :		
Foreign tours, Subscription, depot & exhibition expenses etc.	146.36	183.16
(iv) EARNINGS IN FOREIGN CURRENCY IN RESPECT OF :		
Export of goods calculated on FOB basis	7490.68	4898.47

41 Segment Reporting :-

a) Primary Business Segment :

The Company is engaged in manufacture of Chemicals. As the Company is engaged only in one business segment.

b) Secondary Geographical Segment		Year Ended 31st March, 2019	Year Ended 31st March, 2018
		Rs.in Lakhs	Rs.in Lakhs
Sales Turnover : -			
i) In India		15,529.75	12,653.83
ii) Outside India		7,632.96	5,034.99
Total		23,162.71	17,688.82



NOTES FORMING PART OF FINANCIAL STATEMENTS

42 Related Parties Disclosures :

Names of related parties	Nature of Relationship
(i) Shri L.N.Goculdas	Promoter and Chairman (holding more than 20% of the voting power of the Company)
(ii) Borax Morarji (Europe) GmbH	Wholly Owned Subsidiary
(iii) The Natural Gas Co.Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(iv) L.P.Gas Equipment Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(v) L.P.Gas Transport & Bottling Co. Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(vi) Phoenix Distributors Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(vii) Jasraj Trading Co.	Enterprises under the Control of Promoter and Key Managerial persons
(viii) Kosan Industries Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(ix) Bombay Foods Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(x) Mitika L. Goculdas	Daughter of Promoter and Chairman
(xi) Shri B.L.Goculdas	Key Management Person - Managing Director and Chief Executive Officer
(xii) Shri D.T.Gokhale	Key Management Person - Executive Vice President & Company Secretary
(xiii) Shri D. G. Patil	Key Management Person - Chief Finance Officer (up to 1st July 2018)
(xiv) Shri Chirag Shah	Key Management Person - Chief Finance Officer (From 6th July 2018)

		Rs.in Lakhs	
		Year Ended 31st March, 2019	Year Ended 31st March, 2018
A	Transaction with Promoters holding more than 20% of the voting power		
	Sitting Fees for attending Board and Committee meetings -Shri L. N. Goculdas	2.00	2.65
	Interest paid to Promoter- Shri. L.N.Goculdas	52.40	22.69
	Commission paid to Promoter- Shri L.N. Goculdas	5.11	-
	Repayment of Loan to Promoter - Shri L.N.Goculdas	375.00	50.00
	Unsecured Loan taken by the Company and outstanding as at the year end	345.47	720.47
B	Sitting Fees for attending Board Meeting to Mitika L. Goculdas	1.25	1.25
	Commission paid to Ms. Mitika L Goculdas	1.71	-
	Interest paid to Phoenix Distributors Pvt Ltd	-	6.05
C	Transactions with Related Parties		
(i)	Purchase of Goods/Services Received by the Company		
	L.P.Gas Equipment Co. Pvt.Ltd.	26.92	55.20
	L.P.Gas Transport & Bottling Co. Pvt.Ltd.	0.56	0.50



NOTES FORMING PART OF FINANCIAL STATEMENTS

	Rs.in Lakhs	
	Year Ended 31st March, 2019	Year Ended 31st March, 2018
(ii) Sale of Goods/Services Rendered by the Company		
Borax Morarji (Europe) GMBH	325.63	249.71
(iii) Closing balance of Borax Morarji (Europe) GMBH included in Current Assets of the Company	26.07	21.71
(iv) Closing balance of L.P. Gas Equipment Pvt Ltds included in Current Liability of the Company	-	13.24
(v) Closing balance of L.P. Gas Transport and Bottling Co. Pvt Ltds included in Current Liability of the Company	-	0.14
D Transactions relating to Key Management Personnel		
(i) Remuneration		
B. L. Goculdas	132.99	63.00
D. T. Gokhale	32.60	30.60
D. K. Sundaram (Until 31-Dec-2017)	-	14.00
D. G. Patil (Until 1-Jul-2018)	-	1.62
C. J. Shah (From 6-Jul-2018)	17.68	-
	183.27	109.22
(ii) Perquisites and Other Benefits		
B. L. Goculdas	16.06	14.64
D. T. Gokhale	1.63	1.03
D. K. Sundaram (Until 31-Dec-2017)	-	4.08
D. G. Patil (Until 1-Jul-2018)	-	-
C. J. Shah (From 6-Jul-2018)	4.19	-
	21.88	19.75
	205.15	128.97

Related party relationships are as identified by the Company and relied upon by the Auditors.



NOTES FORMING PART OF FINANCIAL STATEMENTS

43 Employee Benefits :

The Company has made provision for following benefit plans as per Accounting Standard 15 (Revised 2005) "Employee Benefits". Defined Benefit Plans / Long Term Compensated Absences: As per Actuarial Valuation as on 31.03.2019, the required data is as follows:

					Rs. in Lakhs
I	Continuing Employees :	Apr 18 / Mar 19	Apr 18 / Mar 19	Apr 17 / Mar 18	Apr 17/ Mar 18
A	Expense recognised in the statement of Profit & Loss Account for period ended 31st March 2019	GRATUITY	LEAVE ENCASHMENT	GRATUITY	LEAVE ENCASHMENT
	1. Current Service Cost	13.10	14.92	13.28	47.68
	2. Interest Cost	14.51	2.46	11.29	3.74
	3. Past Service Cost (vested benefits)	-	-	-	-
	3. Expected Return on plan assets	-	-	-	-
	4. Actuarial (Gain) / Losses	17.35	(46.44)	28.37	(44.98)
	5. Total Expenses	44.96	(29.06)	52.94	6.44
B	Net Assets/(Liability) recognised in the Balance Sheet as at 31/03/2019				
	1. Present value of Defined Benefit Obligation as at 31st March 2019	196.58	27.00	169.91	56.06
	2. Fair Value of plan assets as at 31st March 2019	12.83	-	17.55	-
	3. Funded Status [(Surplus)/(Defecit)]	(183.75)	(27.00)	(152.36)	(56.06)
	4. Net asset / (Liability) as at 31st March 2019	(183.75)	(27.00)	(152.36)	(56.06)
C	Change in Obligation during the period ended 31st March 2019				
	1. Present value of Defined Benefit Obligation at the beginning of the year	134.80	46.09	200.52	55.5
	2. Current Service Cost	13.10	14.92	13.28	47.68
	3. Interest Cost	14.51	2.46	11.29	3.74
	4. Settlement Cost	-	-	-	-
	5. Past Service Cost - (Vested Benefits)	-	-	-	-
	6. Employee Contribution /transfer	35.11	9.97	-	-
	5. Actuarial (Gain) / Losses	17.35	(46.44)	28.37	(44.98)
	6. Benefits Payments	(18.29)	-	(83.56)	(5.87)
	7. Present value of Defined Benefit Obligation at the end of the year	196.58	27.00	169.90	56.07
D	Change in Assets During the period ended 31st March 2019				
	1. Plan assets at the beginning of the year	17.55	-	17.54	-
	2. Settlements	-	-	-	-
	3. Expected return on plan assets	0.70	-	-	-



NOTES FORMING PART OF FINANCIAL STATEMENTS

4. Contributions by employers	-	-	83.56	5.87
5. Actual benefits paid	(5.42)	-	(83.56)	-
6. Actuarial {Gain / (Losses)}	-	-	-	-
7. Plan assets at the end of the year	12.83	-	-	-
E Actuarial Assumptions :				
1. Discount Rate	7.66%	7.66%	7.73%	7.73%
2. Mortality Rate	IALM2008	IALM2008	IALM2008	IALM2008
	Rs./ Lakhs	Rs./ Lakhs	Rs./ Lakhs	Rs./ Lakhs
II For Ex-employees	71.49	-	103.80	8.83

44 Standards issued but not yet effective up to the date of Financial Statements

Standards issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

1) Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1 April 2019. The impact on adoption of Ind AS 116 on the financial statements is given below. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

Transition to Ind AS 116

The Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

45 Figures in respect of the previous year have been regrouped / rearranged wherever necessary.



THE DHARAMSI MORARJI CHEMICAL COMPANY LTD
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR 2018-19



INDEPENDENT AUDITOR'S REPORT

To the Members of

THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at 31 March 2019, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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, as at 31 March 2019, their consolidated profit including other comprehensive income, and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements for the financial year ended 31 March 2019. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS financial statements.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1.	Litigations and claims (Refer to note 32 to the consolidated Ind AS financial statements) These cases are pending with multiple tax authorities like Income Tax, Excise, Service tax etc. and labour law cases which have not been acknowledge as debt by the company.	Principal Audit Procedures: <ul style="list-style-type: none"> Evaluation of management's judgement of tax risks, estimates of tax exposures, each claims and contingencies. Third party opinions, past and current experience with the tax authority and management's response including on the labour law cases were used to assess the appropriateness of management's best estimate of most likely outcome of each uncertain contingent liability.



Sr. No.	Key audit matters	How our audit addressed the key audit matter
	<p>In normal course of business, financial exposures may arise from pending proceedings not acknowledged as debt by the company. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the consolidated Ind AS financial statements is depended on a number of significant assumptions and judgements. The amount involved are potentially significant and determining the amount, if any, to be recognized or disclosed in the consolidated Ind AS financial statements, is inherently subjective.</p> <p>We have Considered Litigation and claims as Key Audit Matter as it requires significant management judgement, including accounting estimation uncertainty.</p>	<ul style="list-style-type: none"> • Discussing selected matters with the entity's management. • Critically assessing the entity's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the consolidated Ind AS financial statements. Assessment of the probability of negative result of litigation and the reliability of estimates of related obligation. <p><u>Conclusion:</u></p> <p>Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation & disclosure on the subject matter in the consolidated Ind AS financial statements.</p>
2.	<p>Revenue Recognition (as described in note 2.1 of the consolidated Ind AS financial statements)</p> <p>For the year ended March 31, 2019 the Company has recognized revenue from contracts with customers amounting to Rs. 23,162.71 Lacs. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that as principal, it typically controls the goods before transferring them to the customer.</p> <p>The variety of terms that define when control are transferred to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognized in the correct period.</p> <p>Revenue is measured net of net of returns and allowances, cash discounts, trade discounts and volume rebates (collectively 'discount and rebates'). There is a risk that these discount and rebates are incorrectly recorded as it also requires a certain degree of estimation, resulting in understatement of the associated expenses and accrual.</p> <p>Revenue is also an important element of how the Company measures its performance. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the risk and rewards have been transferred.</p> <p>Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it was determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.</p>	<p>Principal Audit Procedures:</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Assessed the Company's revenue recognition policy prepared as per Ind AS 115 'Revenue from contracts with customers'. • Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates. • Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples checked that the revenue has been recognized as per the shipping terms. • To test cut off selected sample of sales transactions made pre- and post-year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods. • Tested the provision calculations related to management incentives, discounts and rebates by agreeing a sample of amounts recognized to underlying arrangements with customers and other supporting documents. • Performed monthly analytical procedures of revenue by streams to identify any unusual trends. • Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.



We have determined that there are no other key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report 2018-19, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

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

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

Management's Responsibility for the Consolidated Ind Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

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

Auditor's Responsibility for the Audit of the Consolidated Ind AS Financial Statement

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

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements for the financial year ended 31 March 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements and other financial information, in respect of a subsidiary whose Ind AS financial statements include total assets of INR 40.68 Lakh as at March 31, 2019, and total revenues of INR 18.11 Lakh for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of such other auditors.

Our opinion above on the consolidated Ind AS 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 and other financial information certified by the Management.

The consolidated Ind AS financial statements includes share of net profit of Rs. 3.77 Lacs and Other Comprehensive Income of Nil in respect of a subsidiary whose financial statements are unaudited. Our opinion on the consolidated Ind



AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this Subsidiary, is based solely on the reports, as furnished to us by the Management.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph 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 purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group's companies, is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, – Refer Note 32 to the consolidated Ind AS financial statements.
 - ii. The Holding 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 Holding Company during the year ended March 31, 2019.

For Rahul Gautam Divan & Associates
ICAI Firm registration number: 120294W
 Chartered Accountants
Rahul Divan

Partner
 Membership No.: 100733

Place: Mumbai
 Date: 28 May 2019



ANNEXURE-1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED

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

In conjunction with our audit of the consolidated financial statements of THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED (hereinafter referred to as the "Holding Company" or "the Company") which is incorporated in India as of that date. The subsidiary company which is part of the Group is incorporated outside India and Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") is not applicable to the subsidiary company.

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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 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, 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 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Rahul Gautam Divan & Associates
ICAI Firm registration number: 120294W
Chartered Accountants

Rahul Divan
Partner
Membership No.: 100733

Place: Mumbai
Date: 28 May 2019



CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH 2019

		(₹ in Lakhs)	
Particulars	Notes	As at 1st March, 2019	As at 31st March, 2018
ASSETS			
Non Current Assets			
Property, Plant and Equipment	3	8,373.62	7,260.94
Capital work-in-progress	3	84.15	264.50
Goodwill	3	1,465.10	1,465.10
Other Intangible Assets	3	27.43	26.72
Other non-current assets	4	173.76	161.30
Other non Current Financial Assets		-	-
- Non Current Investments	5	39.08	39.08
Total Non Current Assets		10,163.14	9,217.64
Current Assets			
Inventories	6	2,495.11	2,070.72
Financial Assets			
- Investments	7	230.93	317.55
- Trade receivables	8	3,010.85	2,220.31
- Cash and cash equivalents	9	381.49	378.77
- Bank balances other than cash and cash equivalents	10	108.03	96.82
- Others financial assets	11	37.57	137.78
- Current Tax Assets (Net)	12	946.25	103.51
Other current assets	13	1,454.51	1,133.74
Total Current Assets		8,664.74	6,459.20
Total Assets		18,827.88	15,676.84
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	14	2,493.99	2,493.99
Other Equity	15	9,084.42	4,783.23
Total Equity		11,578.41	7,277.22
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
- Long Term Borrowings	16	1,641.55	2,083.00
- Long Term Provisions	17	256.06	271.76
Other non-current liabilities	18	55.80	65.59
Total Non Current Liabilities		1,953.41	2,420.35
Current liabilities			
Financial Liabilities			
- Short Term Borrowings	19	217.44	-
- Trade payables	20		
		2,466.46	3,255.20
- Other financial liabilities	21	2,326.98	2,334.65
Other current liabilities	22	221.76	340.44
Provisions	23	63.42	48.98
Total Current Liabilities		5,296.06	5,979.27
Total Liabilities		7,249.47	8,399.62
Total Equity and liabilities		18,827.88	15,676.84

Significant accounting policies and notes to Financial Statements (Note 2)

The accompanying notes referred to above which form an integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

For Rahul Gautam Divan & Associates

Chartered Accountants

Firm Registration No.: 120294W

L.N. Goculdas

Chairman

DIN : 00459347

H.T. Kapadia

Director

DIN : 00125090

B.L. Goculdas

Managing Director

DIN : 00422783

D T Gokhale

Company Secretary

Chirag J. Shah

Chief Finance Officer

Partner

Membership No. 100733

Place : Mumbai Date: 28th May 2019



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

Rs. in Lakhs

Particulars	Notes	Consolidated	
		For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Income			
Revenue from Operations	24	23,405.37	18,076.92
Other Income	25	99.79	88.64
Total Income		23,505.15	18,165.56
Expenses			
Cost of Raw Materials Consumed	26	12,441.99	10,118.63
Purchase of Stock-in-Trade	27	-	417.11
Changes in Inventories of Finished Goods and Work in Progress	28	(125.24)	57.05
Employee Benefits Expenses	29	1,276.25	1,432.06
Finance costs	30	277.14	396.72
Depreciation and amortization expense	3	451.31	419.64
Other Expenses	31	4,461.21	3,504.63
Exice duty on sale of goods		-	256.19
Total Expense		18,782.67	16,602.04
Profit before tax		4,722.49	1,563.52
Tax Expense			
Current Tax under MAT		1,013.77	350.65
MAT Credit Entitlement		(908.78)	-
Tax impact due to OCI		3.35	(16.75)
		108.34	333.90
Profit for the year		4,614.15	1,229.62
Other Comprehensive Income			
(a)(i) Items that will not be reclassified to profit or loss		(28.67)	68.72
(ii) Income tax relating to items that will not be reclassified to Profit & Loss		6.18	(14.67)
b) i) Items that will be reclassified to Profit and Loss		13.13	9.74
ii) income Tax relating to Items that will be reclassified to Profit and Loss		(2.83)	(2.08)
Total Other Comprehensive Income		(12.19)	61.71
Total Comprehensive Income for year		4,601.96	1,291.33
Earnings per equity share (FV Rs. 10/- per share) :			
Basic & Diluted (in Rs)- Refer Note No.31		18.50	4.93

Significant accounting policies and notes to Financial Statements (Note 2)

The accompanying notes referred to above which form an integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

For Rahul Gautam Divan & Associates

Chartered Accountants

Firm Registration No.: 120294W

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Company Secretary

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Chief Finance Officer

Partner

Membership No. 100733

Place : Mumbai Date: 28th May 2019

**Consolidated Cash Flow Statement**

for the year ended 31st March 2019

(Rs. in Lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	4722.49	1563.53
Add:		
1 Depreciation and amortisation	451.31	419.64
2 Interest charged	277.14	396.71
3 Unrealised Foreign Exchange Loss / (Gain)	(5.28)	(4.36)
4 (Gain)/Loss on sale of PPE / Investments	0.48	0.74
5 Other OCI impact (Net)	(12.19)	61.71
	711.46	874.44
Less:		
1 Interest Income	20.98	35.07
2 Dividend Income	2.67	4.01
	23.65	39.08
Operating Profit before change in working capital	5410.30	2398.89
Working capital changes:		
Add / (Less):		
1 (Increase) / Decrease in inventories	(424.39)	(419.32)
2 (Increase) / Decrease in trade receivables	(790.54)	(44.13)
3 (Increase) / Decrease in Other Financial Assets	100.21	9.93
4 (Increase) / Decrease in Other non current Assets	(12.46)	65.52
5 (Increase) / Decrease in Other Current Assets	(320.77)	328.19
6 Increase / (Decrease) in trade payables	(788.74)	(517.42)
7 Increase / (Decrease) in other long term liabilities	(9.79)	(33.24)
8 Increase / (Decrease) in other financial liabilities	(7.67)	480.55
9 Increase / (Decrease) in other current liabilities	(118.68)	(99.79)
10 Increase / (Decrease) in Current Provisions	14.44	(139.85)
11 Increase / (Decrease) in Non-Current Provisions	(15.70)	122.78
	(2374.09)	(246.78)
Cash generated from operations	3036.21	2152.11
Add / (Less):		
Direct taxes paid (Net of refunds)	(951.07)	(315.52)
Net Cash inflow from Operating Activities (A)	2085.14	1836.59
B CASH FLOW FROM INVESTING ACTIVITIES:		
Add:		
1 Proceeds from sale of Property, Plant & Equipment	-	54.38
2 Interest received	20.98	35.07
3 Dividend received	2.67	4.01
	23.65	93.46
Less:		
1 Purchase of Property, Plant & Equipment / increase in Capital WIP	(1379.65)	(849.72)
2 (Purchase) / Sale of Current Investment	86.62	(161.37)
	(1293.03)	(1011.09)
Net Cash inflow from Investing Activities (B)	(1269.38)	(917.63)



Consolidated Cash Flow Statement

for the year ended 31st March 2019

(Rs. in Lakhs)		
Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
C CASH FLOW FROM FINANCIAL ACTIVITIES:		
Add:		
1 Receipt from issue of Equity Shares inclusive of share premium	-	-
2 Proceeds from borrowings (Non Current)	217.44	456.31
3 Proceeds from borrowings Net of repayment (Current)	-	-
4 Increase in Restricted Bank Balances other than cash & cash equivalents	(11.21)	57.25
5 Increase/(Decrease) in foreign Currency Translation Reserves	(0.50)	1.93
	205.73	515.49
Less:		
1 Repayment of borrowings (Non-current)	(441.45)	-
2 Repayment of borrowings net of proceeds (Current)	-	(1024.31)
3 Interest and other finance costs	(277.14)	(396.71)
4 Payment of Equity Dividend	(300.17)	-
	(1018.76)	(1421.02)
Net Cash inflow from Financing Activities (C)	(813.03)	(905.53)
I. Net (decrease)/increase in cash and cash equivalents	2.73	13.43
II. Add: Cash and cash equivalents at the beginning of the period	378.77	365.34
III. Cash and cash equivalents at the end of the period	381.49	378.77

As per our report of even date

For Rahul Gautam Divan & Associates

Chartered Accountants

Firm Registration No.: 120294W

Partner

Membership No. 100733

Place : Mumbai Date: 28th May 2019

For and on behalf of the Board of Directors

L.N. Goculdas

Chairman

DIN : 00459347

B.L. Goculdas

Managing Director

DIN : 00422783

H.T. Kapadia

Director

DIN : 00125090

D T Gokhale

Company Secretary

Chirag J. Shah

Chief Finance Officer

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****FOR THE PERIOD ENDED 31ST MARCH, 2019**

A. Equity Share Capital	No. of Shares	Rs. in Lakhs
As at 1st April, 2017	2,43,51,003	2,493.99
Changes in equity share capital during FY 2017-18		-
Balance as at 31st March, 2018	2,49,39,933	2,493.99
Changes in equity share capital during FY 2018-19	-	-
Balance as at 31st March, 2019	2,49,39,933	2,493.99

B. Other Equity

Particulars	Reserves and Surplus					Total (Rs. in Lakhs)
	Securities Premium Reserve	Other Reserves	Retained Earnings	Foreign Currency Translation Reserves	Other items of Other Comprehensive Income	
Balance as at 31st March, 2017	1,714.90	66.59	1,700.24	-	7.42	3,489.15
Profit for the year	-	-	1,229.62	-	-	1,229.62
Translation Reserve of Subsidiary	-	-	-	2.75	-	2.75
Other Comprehensive Income	-	-	-	-	61.71	61.71
Total Comprehensive Income (Net of Tax)	1,714.90	66.59	2,929.86	2.75	69.13	4,783.23
Equity Dividend Paid (Including Dividend Distribution Tax)	-	-	-	-	-	-
Balance at 31st March, 2018	1,714.90	66.59	2,929.86	2.75	69.13	4,783.23
Profit for the year	-	-	4,614.15	-	-	4,614.15
Translation Reserve of Subsidiary	-	-	-	(0.50)	-	(0.50)
Other Comprehensive Income	-	-	-	-	(12.19)	(12.19)
Total Comprehensive Income (Net of Tax)	1,714.90	66.59	7,544.01	2.25	56.94	9,384.69
Equity Dividend Paid (Including Dividend Distribution Tax)	-	-	(300.17)	-	-	(300.17)
Balance at 31st March, 2019	1,714.90	66.59	7,243.84	2.25	56.94	9,084.42

Significant accounting policies and notes to Financial Statements (Note 2)

The accompanying notes referred to above which form an integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

For Rahul Gautam Divan & Associates

Chartered Accountants

Firm Registration No.: 120294W

L.N. Goculdas

Chairman

DIN : 00459347

H.T. Kapadia

Director

DIN : 00125090

B.L. Goculdas

Managing Director

DIN : 00422783

D T Gokhale

Company Secretary

Chirag J. Shah

Chief Finance Officer

Partner

Membership No. 100733

Place : Mumbai Date: 28th May 2019



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

1 Corporate Information

The Consolidated financial statement comprises of financial statement of The Dharamsi Morarji Chemical Company Ltd and its subsidiary (collectively, the Group) for the year ended 31st March, 2018. The Dharamsi Morarji Chemical Company Limited (the Company) is a Public Limited Company domiciled in India. Its shares are listed on the Bombay Stock Exchange Limited (BSE). The Group is engaged in the business of manufacturing and selling of Commodity Chemicals and Speciality Chemicals.

Borax Morarji Europe GmbH, Germany is engaged in the business of selling Commodity Chemicals and Speciality Chemicals.

Information on related party relationships of the company is provided in Note 43

The Consolidated financial statements are authorised for issue in accordance with a resolution of the Board of Directors on 28th May, 2019

2 Significant Accounting Policies

2.1 Basis of preparation:

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS. The consolidated financial statements have been prepared on historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments.
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instrument).

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs (INR'00,000), except otherwise indicated.

2.2 Basis of Consolidation:

The consolidated financial statements comprises the financial statement of THE DHARAMSI MORARJI CHEMICAL CO.LTD Limited and its subsidiary as at March 31, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- i) The contractual arrangement with the other vote holders of the investee
- ii) Rights arising from other contractual arrangements
- iii) The Group's voting rights and potential voting rights
- iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances if material, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.



The financial statements of Borax Morarji GmbH, Germany used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March 2019. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

The unaudited financial statements as on 31st March 2019 of the Wholly Owned Subsidiary Company have been compiled by Chartered Accountancy firm based in Germany. The subsidiary Company being Joint Stock Company under German Law, there is no obligation for audit based on the size criteria.

2.3 Consolidation Procedure

Subsidiaries:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intraGroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). IntraGroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it

- (i) Derecognises the assets (including goodwill) and liabilities of the subsidiary
 - (ii) Derecognises the carrying amount of any non-controlling interests
 - (iii) Derecognises the cumulative translation differences recorded in equity
 - (iv) Recognises the fair value of the consideration received
 - (v) Recognises the fair value of any investment retained (vi) Recognises any surplus or deficit in profit or loss
 - (vi) Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities
- d) Change in ownership interest:

The Group treats transaction with non-controlling interests that do not result in a loss of control as transaction with the equity owners of the Group. A change in ownership interest results in adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

2.4 Property, plant and equipment

a) Tangible assets:

Property, Plant and equipment were carried in the balance sheet prepared in accordance with Indian GAAP on the basis of their historical cost less accumulated depreciation and impairment as on the date of transition i.e. 01.04.2016. The Group has elected to regard those written down values as deemed cost as at the date of the transition as per the option available to the Group, as fair value, while adopting Ind AS for the first time except for certain Land acquired by the Group upon merger of erstwhile Borax Morarji Limited has been stated at fair value as per the valuation report obtained by the Group.

Property, Plant and Equipment are stated at cost of acquisition or construction, including attributable interest and financial costs till such assets are ready for its intended use, less accumulated depreciation, impairment losses and specific grants received, if any.



The expenditure incurred during the period of construction (including cost of trial runs, stores issued, expenses on labour allocated for such purpose) is debited to capital work-in-progress and on completion, the costs are allocated to the respective items of Property, Plant and Equipment. Interest on specific borrowings relating to acquisition of fixed assets is capitalised up to the date of commissioning.

Derecognition:

An item of property, plant and equipment initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is measured at their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Derecognition:

An item of intangible initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.5 Depreciation/Amortization:

Depreciation on all items of Property, Plant and Equipment is provided for on Straight Line basis over the estimated useful life specified in schedule II to the Companies Act, 2013.

Depreciation on additions and deletions during the year is provided on pro-rata basis.

Cost of leasehold land is amortised over the period of lease.

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

2.6 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.7 NonCurrent Assets held for Sale

Non current assets are classified as held for sale, if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less cost to sale. Losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognized in the Statement of Profit and Loss. Once classified as held for sale, Property, plant and Equipment and Intangible Assets are no longer depreciated or amortized.



2.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended period when active development activities on the qualifying assets is interrupted. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.9 Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials: purchase cost on a weighted average basis

Cost of Finished goods and work in progress include materials cost, cost of conversion, depreciation, other overheads to the extent applicable but excluding borrowing costs

2.10 Trade receivables

Trade receivables are carried at original invoice amount less any provisions for doubtful debts. For the Expected Credit Loss (ECL) simplified approach is adopted by the Group as permissible. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollectable it is written off, firstly against any provision available and then to the income statement.

2.11 Revenue recognition

Revenue from sale of goods is recognized at the fair value of the consideration received or receivable, net of returns and trade discounts, rebates, GST.

Revenue from the sale of goods is recognised when (a) It is probable that the economic benefits associated with the transaction will flow to the entity and the amount of revenue can be measured reliably. (b) The significant risks and rewards of ownership of the goods have been passed to the buyer; and (c) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold and returns.

Goods sold on consignment are recorded as inventory until goods are sold by the consignee to the end customer.

Export sales are recognised based on the shipped on board date as per bill of lading when significant risk and rewards of ownership are transferred to the customer.

Export benefits available under prevalent schemes are accounted to the extent considered receivable. These are presented as other operating income in the Statement of Profit & Loss.

Earning from sale of power generated from Wind Mills is accounted for on tariff rate agreed and as per Power Purchase agreement with respective Electricity Board.

Royalty and service income are recognized on an accrual basis in accordance with the terms of the relevant contractual agreement.

Interest income is recognised on accrual basis.

Insurance claims are accounted for on the basis of claims admitted /expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

Dividend income on investment is recognized in the Statement of Profit and Loss Account on the date on which the Group's right to receive is established.

The Group earns revenue primarily from sale of products.

The Group has applied Ind AS 115 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under erstwhile Ind AS 18 and Ind AS 11. The new Standard is applied to contracts that were remaining in force as at 1st April, 2018. The application of the standard does not have any significant impact on the retained earnings as at 1st April, 2018 or on these financial statements. The details of accounting policies under erstwhile Ind AS 18 and Ind AS 11 are disclosed separately if they are different from those under Ind AS 115.



2.12 Foreign Exchange Transactions

Transactions in foreign currencies are initially recorded by the Group at the rate prevalent on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the closing rates of exchange at the reporting date.

Differences arising on settlement or year end conversion of monetary items are recognised in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are converted using the exchange rates at the dates of the initial transactions.

2.13 Employee Benefits

Contribution Plans:

Contributions to the Company's Provident Fund, Family Pension Fund, Superannuation Fund are being charged to the Statement of Profit and Loss.

Benefits Plans:

The Group has the scheme which enables employees to encash the accumulated privilege leave (upto stipulated limits) on retirement. The Group's liability in respect of this leave encashment scheme is determined on the basis of actuarial valuation and the same is charged to the Statement of Profit & Loss and is unfunded. Gratuity Benefits (based on actuarial valuation) is charged to Statement of Profit & Loss and is unfunded.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The service cost and the net interest cost are charged to the Statement of Profit and Loss. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the actuarial assumptions used for valuation. The Group recognizes these re-measurements in the Other Comprehensive Income (OCI).

2.14 Taxes

Current income tax

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

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Significant management judgment is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax could change if estimates of projected future taxable income or if tax regulations undergo a change.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is reviewed at each reporting date.

The benefit of credit against the payment made towards Minimum Alternate Tax for the earlier years is available in accordance with the provisions of the section 115JAA of Income Tax Act, 1961 over the period of subsequent 15 assessment year. The Company recognises MAT Credit Available as an Asset only to the extent that there is convincing evidence that the Company will pay Normal Income Tax during the specified period, i.e. the period for which MAT Credit is allowed to be carried forward. The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

2.15 Provisions, Contingent Liabilities and Contingent Assets:

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss.



Contingent Liabilities

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by the future events not wholly within the control of the Group or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets

Contingent Assets are only disclosed when it is probable that the economic benefits will flow to the Group.

2.16 Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.17 Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred (measured at acquisition date at fair value) and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

2.18 Current and Non current Classification

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

An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period .

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.



2.19 Financial Instruments

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

a) Financial Assets

Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(i) Financial assets

Cash and bank balances

Cash and bank balances consist of :

- Cash and Cash equivalents - which includes Cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of Cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.
- Other bank balances - which includes balances and deposits with banks that are restricted for withdrawal and usage.

Financial assets at amortised cost

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

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investment in Subsidiaries

Investment in Subsidiaries is carried at cost in the financial statements

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income. The Group recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.



b) Financial Liabilities and Equity Instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs, if any.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, during the effective interest rate method where the time value of money is significant. Interest bearing issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

Initial recognition and measurement

The Group's financial liabilities include trade and other payables, loans and borrowings including cash credit accounts and derivative financial instruments like Forward Cover Contracts.

Financial liabilities are classified, at initial recognition, as at fair value through profit and loss or as those measured at amortised cost.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit and loss.

De-recognition of Financial Liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expired.

2.20 Derivative Financial Instruments

The Group holds derivative financial instruments such as foreign exchange forward contracts generally to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank and these are generally designated as hedges. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date. The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

2.21 Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: • In the principal market for the asset or liability, or • In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: • Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities • Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable • Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group's management determine the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the management verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.22 Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on evaluation every three years performed by an accredited external independent valuer, at every 3 years rest, by applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

2.23 Cash & Cash equivalents and Short Term deposits

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Group's cash management.

2.24 Research and Development Costs

Research costs are expensed as incurred. Development expenditure on an individual project are recognized as an Intangible asset when the Group can demonstrate; (i) Technical feasibility of completing the intangible asset so that the asset will be available for use or sale (ii) It's intention to complete and its ability and intentions to use or sell the asset (iii) How the asset will generate future economic benefits (iv) the availability of resources to complete the asset (v) the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefits. Amortization expenses is recognized in the Statement of Profit and Loss. During the period of development, the asset is tested for impairment annually.

2.25 Cash dividend to equity Shareholders:

The Group recognises a liability to make cash or distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.26 Dividend on Preference Shares

Dividend including Dividend Distribution Tax thereon Rs.8.44 Lakhs for the year ended 31st March 2019 (Previous year Rs. 8.21 Lakhs) are accounted for under finance charges.



NOTES TO CONSOLIDATED FINANCIAL STATEMENT AS AT 31ST MARCH, 2019

Note 3. Property, Plant and Equipment :

Rs. in Lakhs

i) Tangible Assets

Particulars	Free Hold Land	Lease Hold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computer	Total	Capital work in progress
Gross carrying amount										
Deemed cost as at 1st April, 2018	286.28	1855.97	1961.29	4389.53	72.94	94.59	80.40	46.15	8787.15	
Additions	-	-	91.26	1437.74	3.83	-	6.71	8.94	1548.48	
Disposals/ Recalssification	-	-	-	-	-	-	-	-	-	
Exchange differences	-	-	-	-	-	-	-	-	-	
As at 31st March, 2019	286.28	1855.97	2052.55	5827.27	76.77	94.59	87.11	55.09	10335.63	-
Accumulated Depreciation										
As at 1st April, 2018	-	84.91	198.02	1155.95	12.45	26.89	17.08	30.91	1526.21	
Depreciation charge for the year	-	20.88	62.69	302.05	8.47	16.57	14.73	10.40	435.79	
Impairment	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	-	-	
Exchange differences	-	-	-	-	-	-	-	-	-	
As at 31st March, 2019	-	105.79	260.71	1,458.00	20.92	43.46	31.81	41.31	1,962.00	-
Net book value										
As at 1st April, 2018	286.28	1,771.06	1,763.27	3,233.58	60.49	67.70	63.32	15.24	7,260.94	264.50
As at 31st March, 2019	286.28	1,750.18	1,791.84	4,369.27	55.85	51.13	55.30	13.78	8,373.63	84.15

ii) Intangible Assets

Particulars	Software	Goodwill	Total	Intangible Assets under Development
Gross carrying amount				
Deemed cost as at 1st April, 2018	55.06	1,465.10	1,520.16	
Additions	16.44	-	16.44	
Disposals	-	-	-	
Exchange Difference on Consolidation	(0.21)	-	(0.21)	
As at 31st March, 2019	71.29	1,465.10	1,536.39	-
Accumulated Depreciation				
As at 1st April, 2018	28.34	-	28.34	
Depreciation charge for the year	15.52	-	15.52	
Impairment	-	-	-	
Disposals	-	-	-	
As at 31st March, 2019	43.86	-	43.86	-
Net book value				
As at 1st April, 2018	26.72	1,465.10	1,491.82	
As at 31st March, 2019	27.43	1,465.10	1,492.53	-



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 4. Other non Current Assets

	As at 31st March, 2019	As at 31st March, 2018
Unsecured, Considered Good		
Security deposits	201.76	189.30
Less: Provision for doubtful security deposit	(28.00)	(28.00)
	173.76	161.30

Note 5. Non Current Investments

	As at 31st March, 2019		As at 31st March, 2018	
	No of shares	Rs. In Lakhs	No of shares	Rs. In Lakhs
Investments in Equity Instruments				
Unquoted equity instruments				
Investment in Wholly Owned Subsidiaries fully paid up (at Cost)				
Fully Paid Equity shares of € 50 each of Borax Morarji (Europe) GmBH, Germany, #	-	-	-	-
Others				
Fully Paid Equity Shares of Rs. 10/- each in Janakalyan Sahakari Bank Ltd.	3,69,250	36.92	3,69,250	36.92
Fully Paid Equity Shares of Rs. 10/- each in Saraswat Co-operative Bank Ltd.	1,000	0.10	1,000	0.10
Fully Paid Equity Shares of Rs. 25/- each in Shamrao Vitthal Co-operative Bank Ltd.	25	0.01	25	0.01
Fully Paid Equity Shares of Rs. 50/- each in Dombivali Nagari Sahakari Bank Ltd	3,000	1.50	3,000	1.50
Fully Paid Equity Shares of Rs. 10/- each in Indian Potash Ltd.	33,000	0.55	33,000	0.55
Aggregate amount of unquoted Investments		39.08		39.08

Note 6 Inventories (Basis of Valuation - Refer Note 2.8)

	As at 31st March, 2018	As at 31st March, 2018
Raw Materials	911.40	804.78
Raw Material in Transit	-	19.12
Packing Materials	96.67	72.86
Work-in-Process	96.60	69.35
Finished Goods	762.97	610.64
Traded Goods	5.00	54.21
Stores and Spares	622.47	439.76
	2,495.11	2,070.72

Note

Inventories of Roha Unit in the state of Maharashtra and Dahej Unit in the state of Gujarat amounting to Rs. 2490.11 Lacs (Previous Year - Rs. Nil) are offered as security by way of hypothecation of Raw Materials, Finished Goods, Working in process, Packing Materials, Stores, Book Debts and Receivable for working capital facility provided by Bank.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 7. Current Investments

	As at 31st March, 2019		As at 31st March, 2018	
	No of Units	Rs. In Lakhs	No of Units	Rs. In Lakhs
Investment in Mutual Funds **				
BSL Growth Medium Term Regular	1,25,812	28.67	1,25,812	27.63
BSL Growth Short term Term Regular	40,589	29.08	40,589	26.96
ICICI Prudential Flexible Income Growth	8,074	28.95	8,074	26.90
ICICI Prudential Equity Arbitrage Fund -Dividend	1,81,875	24.77	1,81,875	24.79
IDFC ArbitrageFund Growth	1,20,279	28.01	1,20,279	26.38
IDFC Corpoarte Advantage Bond Fund Regulars Plan Growth	4,63,158	58.97	4,63,158	55.02
UTI - Treasury Advantage Institutional Plan Growth	1,122	28.92	1,122	26.86
IDFC Arbitrage Fund Reg (MD)	-	-	7,86,102	99.52
Units Trust of India	12,930	3.56	11,984	3.49
		230.93		317.55

** Investments in all mutual funds are stated at NAV at the year end and as workout at FVTOCI.

Note 8. Trade Receivables (Current / Unsecured)

	As at 31st March, 2019	As at 31st March, 2018
Considered Good	3,010.85	2,220.31
Considered Doubtful	-	-
	3,010.85	2,220.31
Less:		
Provision for doubtful debts	-	-
	3,010.85	2,220.31

Receivables of Rs. 3010.85 Lacs (Previous Year Rs. Nil) pertaining to Roha Unit in the State of Maharashtra and Dahej Unit in the State of Gujarat are hypothecated as security for working capital facility provided by the Bank.

Before accepting any new customer, the Company has appropriate levels of control procedures which ensure the potential customer's credit quality.

Generally, the Company supplies as per the order received from its customers. The average Credit period on sale is 30-90 days

Note 9. Cash and Cash Equivalents

	As at 31st March, 2019	As at 31st March, 2018
Bank Balances in Current Accounts	378.90	376.57
Cash on hand	2.59	2.20
	381.49	378.77



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Bank balances other than Cash and Cash equivalents

	As at 31st March, 2019	As at 31st March, 2018
Unpaid Dividend Account	14.88	0.83
Margin Money Deposit Account	93.15	95.99
	108.03	96.82

Note 11. Other Current financial assets

	As at 31st March, 2019	As at 31st March, 2019
Fixed Deposit with bank more than 12 months	37.57	137.78
	37.57	137.78

Note 12. Current Tax Assets (Net)

	As at 31st March, 2019	As at 31st March, 2018
Income tax (Net of Provision for Taxation)	37.47	103.51
MAT Credit Entitlement	908.78	-
	946.25	103.51

MAT Credit Entitlement of Rs. 908.78 Lakhs recognized in the Current Year as the Management is confident of payment of Normal Tax in the foreseeable future.

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2019

	As at 31st March, 2019	As at 31st March, 2019
Accounting Profit before Income tax	4722.49	1563.52
At India's statutory income tax rate of 29.12% for FY 2018-19 & 28.84% for FY 2017-18	1375.19	450.92
Adjustments in respect of current income tax w.r.t. MAT tax rate and Normal tax rate	(361.42)	(117.02)
Current tax- MAT	1013.77	333.90
At the effective income tax rate	21.47%	21.36%

The Company fall under the provisions of MAT u/s 115 JB and the applicable Indian Statutory Tax Rate for the year ended 31st March 2019 and 31st March 2018.

Note 13. Other Current Assets (Unsecured, considered good)

	As at 31st March, 2019	As at 31st March, 2019
Balances with Excise, Sales Tax, Customs & other Government bodies	437.36	312.49
Pre-paid Expense	78.82	64.94
Others advances	12.00	15.33
Others*	926.33	740.97
	1,454.51	1,133.74



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

*Others include Rs. 500.00 lakhs receivable in respect of sale of Land at Ambernath in earlier years by erstwhile Borax Morarji Ltd. The Company is pursuing the matter for obtaining the necessary approval from the Government of Maharashtra, on receipt of which the Conveyance deed will be executed and registered in due course

*Others include Rs. 156.48 lakhs paid as Pre-deposit Demand of Differential Duty by CESTAT for the Appeal against the Order of Commissioner (Appeals), Mumbai of Customs. The Appeal is pending at CESTAT, Mumbai, and will come up for hearing in course of time. (Refer Note. 32)

Note 14. Equity Share Capital

	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Rs.Lakhs	No. of Shares	Rs.Lakhs
Authorized Share Capital				
Equity Shares of Rs.10/- each	4,00,00,000	4,000.00	4,00,00,000	4,000.00
	-	-	-	-
	4,00,00,000	4,000.00	4,00,00,000	4,000.00
 Shares issued, subscribed and fully Paid up				
Equity Shares of Rs.10 each	2,49,39,933	2,493.99	2,49,39,933	2,493.99
	2,49,39,933	2,493.99	2,49,39,933	2,493.99

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Rs.Lakhs	No. of Shares	Rs.Lakhs
Equity Shares :				
Equity Shares at the beginning of the year	2,49,39,933	2,493.99	2,49,39,933	2,493.99
Add: Shares Issued during the year	-	-	-	-
Add: Shares Issued during the year pursuant to the scheme of Amalgamation	-	-	-	-
Equity Shares at the end of the year	2,49,39,933	2,493.99	2,49,39,933	2,493.99

Terms and Rights attached to Equity Shares

The Company is having only one class of Equity shares having a nominal value of Rs.10/- per share.

Every holder of the equity share of the Company is entitled to one vote per share held

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

Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held

	As at 31st March, 2019		As at 31st March, 2018	
	Numbers	% held	Numbers	% held
Shri Laxmikumar Narottam Goculdas	88,27,231	35.39%	88,62,093	35.53%



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 15. Other Equity

	As at 31st March, 2019	As at 31st March, 2019
i. Security Premium Reserves	1,714.90	1,714.90
ii. Other Reserves	66.59	66.59
iii. Foreign Currency Translation Reserves	2.25	2.75
iv. Retained Earnings	7,243.84	2,929.86
v. Other Comprehensive Income	56.94	69.13
	9,084.42	4,783.23

i. Security Premium Reserves		
	As at 31st March, 2019	As at 31st March, 2019
Balance at the beginning of the year	1,714.90	1,714.90
Add: Premium on shares issued during the year	-	-
Balance at the end of the year	1,714.90	1,714.90

Securities premium reserve is used to record the premium on issue of shares. The reserve is eligible for utilisation in accordance with the provision of the Company Act 2013.

ii. Other Reserve		
	As at 31st March, 2019	As at 31st March, 2019
Balance at the beginning of the year	66.59	66.59
Add: Premium on shares issued during the year	-	-
Balance at the end of the year	66.59	66.59

Other reserve represents Capital subsidy received from various state Government

iii. Foreign Currency Translation Reserve		
	As at 31st March, 2019	As at 31st March, 2019
Balance at the beginning of the year	2.75	0.82
Add: Addition during the year	(0.50)	1.93
Balance at the end of the year	2.25	2.75

iv. Retained Earnings		
	As at 31st March, 2019	As at 31st March, 2019
Balance at the beginning of the year	2,929.86	1,700.24
Add: Profit for the year	4,614.15	1,229.62
Less: Equity Dividend Paid (Including Dividend Distribution Tax)	(300.17)	-
Balance at the end of the year	7,243.84	2,929.86



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Retained earnings are used from time to time to transfer profits from retained earnings for appropriation purposes. The amount that can be distributed by the Company as dividend to its equity shareholders is determined as per the provision of the Companies act and the dividend distribution policy of the Company.

v. Other Comprehensive Income

Balance at the beginning of the year	69.13	7.42
OCI for the year	(12.19)	61.71
Balance at the end of the year	56.94	69.13

OCI represents the cumulative gains and losses arising on the revaluation of financial assets and liabilities measured at fair value through

other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

Note 16. Long Term Borrowings

	As at 31st March, 2019	As at 31st March, 2018
Term Loan		
From Bank		
(a) Secured		
(i) Car Loan from a bank	25.42	40.75
(ii) Project Loan from bank	243.10	-
(iii) Mortgage Loan from bank	718.15	922.48
	986.67	963.22
From Other Parties (Unsecured)		
(b) Unsecured		
Deferred Liabilities-Interest Free Sales Tax Loan from MEDA **	29.41	59.30
Fixed Deposits	-	-
	29.41	59.30
Loans from related parties		
(i) Inter Corporate Deposits	-	60.00
(ii) Loans from a Promoters	345.47	720.47
	345.47	780.47
	280.00	280.00
2,80,000 Redeemable Preference Shares of Rs.100/-each ***		
Total Long Term Borrowings	1,641.55	2,082.99



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(a) (i) Car Loan from a bank

Loans against vehicles are for a period of three to five years and repayable by way of equated monthly installment, Interest rate ranges between 9.50 to 10.25%. Secured against hypothecation of Vehicles.

Out of total outstanding Car loan as on 31st March, 2019 of Rs. 40.84 lakhs, amount due in next twelve months is Rs. 15.42 Lakhs, which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities' (See Note No. 21 (1)(ii)). The balance Term Loan of Rs. 25.42 Lakhs is shown above as Car loan from a bank.

(a) (ii) Project Loan from bank

Repayable in 36 EMI's commencing from 27.07.2015. Rate of interest is 10.25% to 12%. 21 EMI's have been paid in time, up to 31st March, 2018 and 3 are remaining to be paid as on that date.

Secured against mortgage of all the fixed assets of the Company, both present and future, situated at Roha.

Out of total outstanding term loan as on 31st March, 2019 of Rs. 302.58 Lakhs, amount due in next twelve months is Rs. 59.48 Lakhs, which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities' (See Note No. 21 (1)(iii)). The balance Term Loan of Rs. 243.10 Lakhs is shown above as Project Loan.

(a) (iii) Mortgage Term Loan from Bank:

Repayable in 60 EMI's will commence from 27.04.2018. Rate of interest is 10.25%,

Secured against mortgage of all the fixed assets of the Company, both present and future, situated at Roha.

Out of total outstanding mortgage loan as on 31st March 2019 of Rs. 915.50 Lakhs, amount due in next twelve months is Rs. 197.35 Lakhs, which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities' (See Note No. 21 (1)(v)). The balance Term Loan of Rs. 718.15 Lakhs is shown as Mortgage Term Loan from Bank as above.

**Interest free Sales Tax Loan from MEDA

Interest free Sales Tax Loan from MEDA is repayable in 30 equal installment starting from May 2010 and ending May 2023

Out of total outstanding Interest free Sales Tax Loan as on 31st March 2019 of Rs. 77.13 Lakhs, amount due in next twelve months is Rs. 51.37 Lakhs, which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities' (See Note No. 21 (1)(vi)). The balance Term Loan of Rs. 77.13 Lakhs is shown as Interest free Sales Tax Loan as above.

*** Non- Convertible Preference Shares

Long Term Borrowing includes 280000, 2.5% Cumulative redeemable non-convertible Preference Shares of Rs. 100/- each aggregating to Rs. 280.00 which has been classified as Financial Liabilities as per requirements of Ind As 32 "Financial instrument presentation". These Preference Shares were repayable in 16 equal yearly installment of Rs. 17.50 lakhs each commencing from 1st April 2012. However, Company had approached and requested the Preference share holder for further extension of time for the redemption of the said Preference Shares. Preference share holder has agreed for further extension of for the redemption of the said Preference shares any time upto 31st March 2022. The Company has Authorised to issue 20,00,000 Cumulative redeemable Preference shares of Rs. 100/- each (payable at par) out of which the Company has issued 2,80,000, 2.5% Cumulative redeemable non-convertible Preference Shares of Rs. 100/- each fully paid up.

The Dividend as when declared by the Company shall be paid to the shareholder on the record date, which Board may fix from time to time. If in any year, the company has not declared any dividend on the said Preference shares, the right to the dividend shall be accumulated and the accumulated dividend will be paid out of the profits, if any, of the subsequent financial years.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS****Note 17. Long Term Provisions**

	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits		
Provision for Gratuity	180.98	210.91
Provision for Leave benefit	75.08	60.85
	256.06	271.76

Note 18. Other Non-Current Liabilities

	As at 31st March, 2019	As at 31st March, 2018
(i) Advance received against sale of Land at Navlakhi	-	-
(ii) Security Deposits from distributors and others	34.51	34.49
(iii) Security Deposits received against Royalty	21.29	31.10
	55.80	65.59

Note 19. Short Term Borrowings

	As at 31st March, 2019	As at 31st March, 2018
From Banks		
Secured	-	-
Cash Credit from Bank	217.44	-
	217.44	-

Bank has sanctioned Working Capital facility against hypothecation of Raw Materials, Finished Goods, Working in process, Packing Materials, Stores, Book Debts and Receivable, current and future. Inventories and Receivables of Roha Unit in the state of Maharashtra and Dahej Unit in the state of Gujarat are offered as security and Mortgage of Office Premises of the Company situated at Mumbai.

Note 20. Trade Payables

	As at 31st March, 2019	As at 31st March, 2018
(i) Trade Payable (*)	2,109.62	2,304.65
(ii) Bills Payable	356.84	950.55
	2,466.46	3,255.20

- 20.1 Payment towards trade is made as per the terms and condition of the contract/purchase order. Average Credit period is 30-90 days
- 20.2 (*) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues at the Balance Sheet date, computed on unit wise basis. Further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the year ended on the Balance Sheet date, nor is any interest payable to any Micro, Small and Medium Enterprises (MSME) on the Balance sheet date. The information on MSME has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 21. Other Financial Liabilities

	As at 31st March, 2019	As at 31st March, 2018
1 Current maturities of long-term debt		
(i) Current maturities of Working Capital Term Loan	-	76.34
(ii) Current maturities of Long Term Debts (Car Loan)	15.42	15.73
(iii) Current maturities of Long Term Debts (Project Loan)	59.48	13.03
(iv) Current maturities of Long Term Debts (Property Loan)	-	57.23
(v) Current maturities of Mortgage Loan	197.35	177.52
(vi) Current maturities of Interest free Sales Tax Loan from MEDA	39.55	51.37
	<u>311.80</u>	<u>391.22</u>
2 Unpaid Dividend (Amount Transferable to Investor Education & Protection Fund when due)	14.88	0.83
3 Unpaid Matured Fixed Deposits (Unclaimed)	1.61	28.62
4 Unpaid Interest on Fixed Deposits	-	0.01
	<u>328.29</u>	<u>420.68</u>
5 Dividend payable on preference shares	4.94	84.15
6 Others Payable		
Trade Deposit	93.51	122.57
Advance received from customers	152.72	33.79
Advance received against sale of Asset	668.00	550.00
Others	1,079.52	1,123.45
	<u>1,993.75</u>	<u>1,829.81</u>
	<u>2,326.98</u>	<u>2,334.65</u>

* During the year Company has repaid the Current maturities of Working Capital Term Loan and Property Loan.

Note 22. Other Current Liabilities

	As at 31st March, 2019	As at 31st March, 2018
Statutory dues payable	74.55	40.22
Due to Employee	147.21	300.22
	<u>221.76</u>	<u>340.43</u>

Note 23. Provisions (Current)

	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits		
Provision for Gratuity	56.49	44.60
Provision for Leave benefits	6.93	4.38
	<u>63.42</u>	<u>48.98</u>



NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

Note 24. Revenue from Operations

Rs. in Lakhs

	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Revenue from Contracts with Customers		
Sale of Chemical Products	23,173.49	17,724.90
Other Operating Revenues		
- Royalty	80.97	72.94
- Export Incentives	105.28	238.02
- Wind Mills	45.64	41.06
	231.88	352.02
	<u>23,405.37</u>	<u>18,076.92</u>
Revenue from Contracts with Customers		
1. Disaggregated revenue information		
Set out below is the disaggregation of the Company's revenue from contract with Customers:		
Segment		
Chemicals	23,099.66	17,317.73
Traded sales	73.83	407.17
	<u>23,173.49</u>	<u>17,724.90</u>
Geographical		
India	15,529.75	12,653.83
Outside India	7,643.74	5,071.07
	<u>23,173.49</u>	<u>17,724.90</u>
Timing of Revenue Recognition		
Goods transferred at a point in time	<u>23,173.49</u>	<u>17,724.90</u>
2. Contract Balances		
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers		
Trade Receivables	3,010.85	2,197.79
Contract Liabilities		
Advances from Customers	152.72	33.79
3. Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
Revenue as per contracted price	23,771.48	18,307.99
Adjustments	-	-
Significant financing component	-	-
Sales return	113.98	98.27
Rebate	-	-
Discount	484.01	484.82
Revenue from contract with customers	<u>23,173.49</u>	<u>17,724.90</u>
4. The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31st March, 2019:		
Advances from customers	152.72	33.79

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

Note 25. Other Income

Rs. in Lakhs

	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Interest Income	20.98	35.07
Dividend Income	2.67	4.01
Other non -operating income	76.14	49.56
	<u>99.79</u>	<u>88.64</u>



NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

Note 26. Cost of Material Consumed

	For the Year ended 31st March, 2019	Rs. in Lakhs For the Year ended 31st March, 2018
Consumption of Raw Materials	12,137.40	9,848.58
Consumption of packing materials	304.59	270.05
	<u>12,441.99</u>	<u>10,118.63</u>

Note 27. Purchase of Stock in Trade

	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Purchased of Goods Traded	-	417.11
	<u>-</u>	<u>417.11</u>

Note 28. Changes in inventories of Finished Goods, Work in process and Stock in Trade

	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Inventory at the beginning of the year		
Work in Process	123.56	48.76
Finished Goods	610.77	647.31
Traded Goods	-	95.20
	<u>734.33</u>	<u>791.27</u>
Inventory at the end of the year		
Work in Process	96.60	69.24
Finished Goods	762.97	610.77
Traded Goods	-	54.21
	<u>859.57</u>	<u>734.22</u>
	<u>(125.24)</u>	<u>57.05</u>

Note 29. Employee Benefits Expense

	For the Year ended 31st March, 2019	Rs. in Lakhs For the Year ended 31st March, 2018
Salaries and Wages (Net after Repairs)(*)	1,101.67	1,141.18
Contribution to Provident Fund (NOT REQUIRED AS PER SCHE III	74.37	55.61
Contribution to Other Funds (Gratuity, Superannuation,etc)	(0.23)	144.18
Staff Welfare Expenses	100.44	91.09
	<u>1,276.25</u>	<u>1,432.06</u>
	<u>38.61</u>	<u>33.27</u>

(*) Salaries & Wages allocated to Repairs etc.

Note 30. Finance Cost

	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Finance Cost		
Interest Paid to Banks	136.18	197.90
Interest paid to Others	130.33	190.61
Dividend on Preference Shares (Including Dividend Distribution Tax)	10.63	8.21
Total	<u>277.14</u>	<u>396.72</u>

Note 31. Other Expenses

	For the Year ended 31st March, 2019	Rs. in Lakhs For the Year ended 31st March, 2018
Power, Fuel and Water	1,122.25	910.92
Repairs to buildings	58.41	19.02
Repairs to machinery	1,228.16	697.80
Insurance	53.94	38.82



NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

Note 31. Other Expenses

	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Rates and taxes	53.24	22.93
Commission to Non-whole time Directors	12.29	-
Internal handling, Freight and carriage outward	573.64	491.45
Net loss/(gain) on foreign currency transactions	(5.28)	3.72
Auditors' Remuneration		
Audit fees	8.00	10.00
For other services	4.00	4.99
Reimbursement of out of pocket expenses	0.33	0.63
	12.33	15.62
Sundry balances written off / (written back) (net)	15.71	(16.95)
Written Down Value Assets Scrapped/Loss on Sale of Fixed Assets/Investments	0.48	0.74
Miscellaneous expenses *	1,336.03	1,320.57
	4,461.21	3,504.63

*None of the item individually accounts for more than Rs.10,00,000/- or 1% of revenue whichever is higher.

32 Contingent Liabilities

	As at 31st March, 2019	As at 31st March, 2018
A Contingent Liabilities		
(i) Outstanding claims in respect of Excise Duty, etc.	1750.51	195.91
(ii) Guarantees issued by banks	12137.40	42.80
(iii) Claims against Group not acknowledged as debts	55.76	55.76

The Group has reviewed all its pending litigations & proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable. The Group does not expect the outcome of these proceedings to materially adverse effect.

The Group has received Differential Duty demand of Rs.14.33 Crores (on Import of crude/un-refined Sulphur during the period 2004-2005 to 2008-2009, provisionally assessed then), at concessional rate of Basic Customs Duty in term of Entry at Sr. No. 60 of Notification No. 21/2002- Cus dated 01.03.2002 which granted concessional rate of basic customs duty on the import of "Crude or unrefined Sulphur" falling under Chapter Sub-heading No. 2503 00 of Customs Tariff). The Group has now filed Appeal before CESTAT being Appeal No. C/89904/2018 – DB dated 2nd January 2019 (against the Order dated 07.02.2018 of the Commissioner (Appeals), Mumbai) and deposited an amount of Rs.1.43 Crores (being the 10% of the alleged demand of differential duty of Rs. 14.33 Crores), as a condition precedent for the Appeal before the CESTAT. The Appeal is pending at CESTAT, Mumbai, and will come up for hearing in course of time. Based on the legal advice the Group is confident to successfully succeed in the appeal.

The Group had imported Rock Phosphate (for the manufacture of Fertilizer viz. Single Superphosphate) and the Bill of Entry for the consignments of Rock Phosphate imported during the period 2005-2006 to 2007-2008, were provisionally assessed and goods were allowed to be cleared with "Nil" Special additional Duty (SAD for short) falling under Chapter heading, Sub-heading or tariff item "31 or any other chapter" of the first Schedule of Customs Tariff. Subsequently, the Department raised an alleged demand of Rs.1.21 crores on account of the enhancement of declared value (Invoice value on which duty was assessed provisionally) and denial of 'Nil' (SAD) under Notification- 20/2006-Cus dated 1.3.2006 on the alleged ground that the Group had allegedly failed to submit the relevant documents which could prove that the imported Rock Phosphate was used for the manufacturing of "fertilizer". The Group has now filed Appeal before CESTAT being Appeal No. C/89910/2018 – DB dated 2nd January 2019 (against the Order dated 07.02.2018 of the Commissioner (Appeals), Mumbai) and deposited an amount of Rs.12.16 Lakhs being the 10% of the alleged demand of Rs. 1.21 Crores. The Appeal is pending at CESTAT, Mumbai and will come up for hearing in course of time. Based on the legal advice the Group is confident to successfully succeed in the appeal.



NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

33 Commitments

Rs. In Lakhs

		As at 31st March, 2019	As at 31st March, 2018
(i)	Estimated Amount of Contracts remaining to be executed on Capital Account & not provided for (Net of Advances)	181.16	151.40

34 In view of the “Unabsorbed Depreciation” & “Unabsorbed Business Losses” accruing from the past years, there is no normal tax payable in the year ended 31st March, 2019 and for the year ended 31st March, 2018. In view of book profit in the current year in terms of Section 115JB of the Income Tax Act, 1961, provision has been made for Rs. 1,010.00 Lakhs towards Minimum Alternate Tax (MAT) during the year ended 31.03.2019 (Previous year Rs. 348.92 Lakhs)

35 There is only one reportable segment i.e chemicals business of the Group.

36 Changes in accounting policies and disclosures

New and amended standards

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted Ind AS 115 using the modified retrospective method of adoption. The change did not have a material impact on the financial statements of the Group.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Group's financial statements.

Amendments to Ind AS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Group's financial statements.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.



NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

37 Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a Group meeting the applicability threshold needs to spend at least 2% of its average net profits for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. Due to the average Net Profit of the Group is being negative, Group is not required to spend any amounts towards Corporate Social Responsibility (CSR) activities during the year.

38 Earning Per Share:

EPS amount are calculated by dividing the profit for the year attributed to Equity holders of the parents by weighted average number of Equity shares outstanding during the year.

	Rs. lakhs	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Profit attributable to Equity share holder of the Company		
Weighted Average Number of Equity Shares	4614.15	1229.62
Earning per Equity Shares (Basic & Diluted)	24939933	24939933
	18.50	4.93

39 Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group, through three layers of defense namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the Risk management policies. The risks are identified at business unit level and mitigation plan are identified, deliberated and reviewed at appropriate forums.

A Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk (see (i));
- liquidity risk (see (ii)); and
- market risk (see (iii)).

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans and investments. The carrying amount of financial assets represents the maximum credit risk exposure.

Trade receivables

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.



NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

Expected credit loss for trade receivables:

The Group based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss and accordingly provision is made for the doubtful debts.

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets.

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's finance and accounts department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates that will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Group. The currencies in which the Group is exposed to risk are generally USD and EUR. The Group follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contract.

Exposure to currency risk - Unhedged

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Currency		Rs. in Lakhs	Currency		Rs. in Lakhs
Trade Receivables	USD	1126924	671.38	USD	880907	571.29
	EURO	226120	175.70	EURO	135202	107.00
			847.08			678.29
Trade Payable	USD	(214351)	(148.27)	USD	(430892)	(281.56)
Net Exposure to Currency Risk			698.81			396.73

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD and EUR against all other currencies at 31 March would have affected the measurement of financial exposure denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact on forecast sales and purchases.



NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

Rs. in Lakhs

	As at 31st March, 2019		As at 31st March, 2018	
	Profit or Loss		Profit or Loss	
	Stengthing	Weakening	Stengthing	Weakening
USD 1% Movement	5.23	(5.23)	2.90	(2.90)
EURO 1% Movement	1.76	(1.76)	1.07	(1.07)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees of fixed rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate.

B Capital management

For the purpose of Group's Capital Management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's Capital Management is to maximise the share holder value.

The Group manages its capital structure and make adjustment in light of changes in economic conditions and requirements co venants.

40 Other Additional information :

(i) VALUE OF RAW MATERIALS AND BOUGHTOUTS, STORES, SPARES AND COMPONENTS CONSUMED

	Year Ended			
	31st March, 2019		31st March, 2018	
	Rs. in Lakhs	%	Rs. in Lakhs	%
Raw Materials and Boughtouts:				
Imported	1933.60	15.93	1618.70	16.44
Indigenous	10203.80	84.07	8229.88	83.56
	12137.40	100.00	9848.58	100.00

	31st March, 2019	31st March, 2018
	Rs. Lakhs	Rs. Lakhs
Stores, Spares and Components:		
Indigenous	661.48	455.14
(ii) VALUE OF IMPORTS CALCULATED ON CIF BASIS :		
Raw Materials & Boughtouts	1812.88	1429.58
(iii) EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF :		
Foreign tours, Subscription, depot & exhibition expenses etc.	146.36	183.16
(iv) EARNINGS IN FOREIGN CURRENCY IN RESPECT OF :		
Export of goods calculated on FOB basis	7490.68	4898.47



NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

41 Segment Reporting :-

a) Primary Business Segment :

The Company is engaged in manufacture of Chemicals. As the Company is engaged only in one business segment.

Rs.in Lakhs

b) Secondary Geographical Segment	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Sales Turnover : -		
i) In India	15,529.75	12,653.83
ii) Outside India	7,643.74	5,071.07
Total	23,173.49	17,724.90

42 Related Parties Disclosures :

Names of related parties	Nature of Relationship
(i) Shri L.N.Goculdas	Promoter and Chairman (holding more than 20% of the voting power of the Company)
(ii) The Natural Gas Co.Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(iii) L.P.Gas Equipment Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(iv) L.P.Gas Transport & Bottling Co. Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(v) Phoenix Distributors Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(vi) Jasraj Trading Co.	Enterprises under the Control of Promoter and Key Managerial persons
(vii) Kosan Industries Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(viii) Bombay Foods Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(ix) Mitika L. Goculdas	Daughter of Promoter and Chairman
(x) Shri B.L.Goculdas	Key Management Person - Managing Director and Chief Executive Officer
(xi) Shri D.T.Gokhale	Key Management Person - Executive Vice President & Company Secretary
(xii) Shri D. G. Patil	Key Management Person - Chief Finance Officer (up to 1st July 2018)
(xiii) Shri Chirag Shah	Key Management Person - Chief Finance Officer (From 6th July 2018)

		Year Ended 31st March, 2019 Rs.in Lakhs	31st March, 2018 Rs.in Lakhs
A	Transaction with Promoters holding more than 20% of the voting power		
	Sitting Fees for attending Board and Committee meetings -Shri L. N. Goculdas	2.00	2.65
	Interest paid to Promoter- Shri. L.N.Goculdas	52.40	22.69
	Commission paid to Promoter- Shri L.N. Goculdas	5.11	-
	Repayment of Loan to Promoter - Shri L.N.Goculdas	375.00	50.00
	Unsecured Loan taken by the Company and outstanding as at the year end	345.47	720.47
B	Sitting Fees for attending Borad Meeting to Ms. Mitika L. Goculdas	1.25	1.25
	Commission paid to Ms. Mitika L Goculadas	1.71	-
	Interest paid to Phoenix Distributors Pvt Ltd	-	6.05
C	Transactions with Related Parties		
(i)	Purchase of Goods/Services Received by the Company		
	L.P.Gas Equipment Co. Pvt.Ltd.	26.92	55.20
	L.P.Gas Transport & Bottling Co. Pvt.Ltd.	0.56	0.50
(ii)	Sale of Goods/Services Rendered by the Company		
	Borax Morarji (Europe) GMBH	325.63	249.71
(iii)	Closing balance of Borax Morarji (Europe) GMBH included in Current Assets of the Company	26.07	21.71
(iv)	Closing balance of L.P. Gas Equipment Pvt Ltds included in Current Liability of the Company	-	13.24
(v)	Closing balance of L.P. Gas Transport and Bottling Co. Pvt Ltds included in Current Liability of the Company	-	0.14



NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

D	Transactions relating to Key Management Personnel		
(i)	Remuneration		
	B. L. Goculdas	132.99	63.00
	D. T. Gokhale	32.60	30.60
	D. K. Sundaram (Until 31-Dec-2017)	-	14.00
	D. G. Patil (Until 1-Jul-2018)	-	1.62
	C. J. Shah (From 6-Jul-2018)	17.68	-
		183.27	109.22
(ii)	Perquisites and Other Benefits		
	B. L. Goculdas	16.06	14.64
	D. T. Gokhale	1.63	1.03
	D. K. Sundaram (Until 31-Dec-2017)	-	4.08
	D. G. Patil (Until 1-Jul-2018)	-	-
	C. J. Shah (From 6-Jul-2018)	4.19	-
		21.88	19.75
		205.15	128.97

Related party relationships are as identified by the Company and relied upon by the Auditors.

42 Employee Benefits :

The Company has made provision for following benefit plans as per Accounting Standard 15 (Revised 2005) "Employee Benefits". Defined Benefit Plans / Long Term Compensated Absences: As per Actuarial Valuation as on 31.03.2019, the required data is as follows:

		Rs. in Lakhs			
		Apr 18 / Mar 19 GRATUITY	Apr 18 / Mar 19 LEAVE ENCASHMENT	Apr 17 / Mar 18 GRATUITY	Apr 17/Mar 18 LEAVE ENCASHMENT
I	Continuing Employees :				
A	Expense recognised in the statement of Profit & Loss Account for period ended 31st March 2019				
	1. Current Service Cost	13.10	14.92	13.28	47.68
	2. Interest Cost	14.51	2.46	11.29	3.74
	3. Past Service Cost (vested benefits)	-	-	-	-
	3. Expected Return on plan assets	-	-	-	-
	4. Actuarial (Gain) / Losses	17.35	(46.44)	28.37	(44.98)
	5. Total Expenses	44.96	(29.06)	52.94	6.44
B	Net Assets/(Liability) recognised in the Balance Sheet as at 31/03/2019				
	1. Present value of Defined Benefit Obligation as at 31st March 2019	196.58	27.00	169.91	56.06
	2. Fair Value of plan assets as at 31st March 2019	12.83	-	17.55	-
	3. Funded Status [(Surplus)/(Defecit)]	(183.75)	(27.00)	(152.36)	(56.06)
	4. Net asset / (Liability) as at 31st March 2019	(183.75)	(27.00)	(152.36)	(56.06)
C	Change in Obligation during the period ended 31st March 2019				
	1. Present value of Defined Benefit Obligation at the beginning of the year	134.80	46.09	200.52	55.5
	2. Current Service Cost	13.10	14.92	13.28	47.68
	3. Interest Cost	14.51	2.46	11.29	3.74
	4. Settlement Cost	-	-	-	-
	5. Past Service Cost - (Vested Benefits)	-	-	-	-
	6. Employee Contribution /transfer	35.11	9.97	-	-



NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

	5. Actuarial (Gain) / Losses	17.35	(46.44)	28.37	(44.98)
	6. Benefits Payments	(18.29)	-	(83.56)	(5.87)
	7. Present value of Defined Benefit Obligation at the end of the year	196.58	27.00	169.90	56.07
D	Change in Assets During the period ended 31st March 2019				
	1. Plan assets at the beginning of the year	17.55	-	17.54	-
	2. Settlements	-	-	-	-
	3. Expected return on plan assets	0.70	-	-	-
	4. Contributions by employers	-	-	83.56	5.87
	5. Actual benefits paid	(5.42)	-	(83.56)	-
	6. Actuarial {Gain / (Losses)}	-	-	-	-
	7. Plan assets at the end of the year	12.83	-	-	-
E	Actuarial Assumptions :				
	1. Discount Rate	7.66%	7.66%	7.73%	7.73%
	2. Mortality Rate	IALM2008	IALM2008	IALM2008	IALM2008
		Rs./ Lakhs	Rs./ Lakhs	Rs./ Lakhs	Rs./ Lakhs
II	For Ex-employees	71.49	0	103.80	8.83

43 Standards issued but not yet effective up to the date of Financial Statements

Standards issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

I) Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group intends to adopt these standards from 1 April 2019. The impact on adoption of Ind AS 116 on the financial statements is given below. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

Transition to Ind AS 116

The Group is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted. The Group has elected certain available practical expedients on transition.

The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.



NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

44 Group Information

The Consolidated financial statement of the group includes subsidiary is mentioned below:

S.No.	Name of the Entity	Country of incorporation	Nature	Ownership interest held by the group	Year Ended	Net Assets, i.e. Total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in Total Comprehensive Income	
						As % of Consolidated Net Assets	Amount (Rs. in Lakhs)	As % of Consolidated Profit or Loss	Amount (Rs. in Lakhs)	As % of Consolidated Other Comprehensive Income	Amount (Rs. in Lakhs)	As % of Consolidated total Comprehensive Income	Amount (Rs. in Lakhs)
i)	The Dharamsi Morarji Chemical Company Ltd	India	Parent Company		31st March 2019	99.77%	11551.85	99.82%	4605.81	100.00%	-12.19	99.82%	4593.62
					31st March 2018	99.74%	7258.51	99.69%	1225.81	100.00%	61.71	99.70%	1287.52
ii)	Foreign Subsidiaries having No minority interest												
	Borax Morarji Europe GmbH	Germany	Wholly Owned Subsidiary	100%	31st March 2019	0.23%	26.57	0.18%	8.34	-	-	0.18%	8.34
					31st March 2018	0.26%	18.71	0.31%	3.81	-	-	0.30%	3.81
					Total								
					31st March 2019	100%	11,578.42	100%	4,614.15	100%	(12.19)	100%	4,601.96
					Total								
					31st March 2018	100%	7,277.22	100%	1,229.62	100%	61.71	100%	1,291.33

45 Figures in respect of the previous year have been regrouped / rearranged wherever necessary.

11,578.42	(12.19)	4,601.96
7,277.22	61.71	1,291.33
18787.2	15627.87	18827.88
7235.35	8369.37	7249.47
11551.85	7258.5	11578.41
		15676.84
		8399.62
		7277.22
		4,614.15
		1,229.62



THE DHARAMSI MORARJI CHEMICAL COMPANY LTD.

(Regd. Office : Prospect Chambers, 317/321, Dr. Dadabhoy Naorji Road, Fort, Mumbai - 400 001)

CIN : L24110MH1919PLC000564 Website : www.dmcc.com

e-mail : dgokhale@dmcc.com Phone No.: 022-22048881-2-3 Fax No.: 022-22813657

PROXY FORM

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

Name of the Member(s): _____

Registered address: _____

E-mail Id: _____

Folio No. / Client ID No.: _____ DP ID No.: _____

I/We, being the member(s) holding _____ Equity Shares of The Dharamsi Morarji Chemical Company Ltd., hereby appoint:

1. Name: _____ E-mailID: _____

Address: _____

Signature: _____ or failing him

2. Name: _____ E-mailID: _____

Address: _____

Signature: _____ or failing him

3. Name: _____ E-mailID: _____

Address: _____

Signature: _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 98th Annual General Meeting of the Company to be held on Friday, 20th Sept., 2019 at 11.30 am at Indian Merchant's Chamber, Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
ORDINARY BUSINESS	
1.	To receive, consider and adopt the audited financial statements of the Company for the Financial Year ended 31 st March, 2019, together with the Reports of the Board of Directors and the Auditors thereon.
2.	To receive, consider and adopt the audited Consolidated financial statements of the Company for the Financial Year ended 31 st March, 2019, together with the Report of the Auditors thereon.
3.	To confirm: (a) the Interim dividend of Rs. 0.50 per equity share (face value of Rs.10/- each) declared on 7 th December, 2018 and already paid to shareholders on 3 rd January, 2019, be considered as final dividend for the financial year ended 31 st March, 2019, and (b) to declare a 'Special Centenary Year (1919 to 2019)' dividend of Rs. 1.00 per equity share (face value of Rs. 10/- each) for the financial year ended 31 st March, 2019.
4.	To appoint a Director in place of Ms Mitika Laxmikumar Goculdas (holding DIN 02879174), who retires by rotation, and being eligible, offers herself for re-appointment.
5.	To ratify the appointment of Statutory Auditors of the company, holding office from the conclusion of the 96 th Annual General Meeting (AGM) of the company till the conclusion of the 101 st AGM of the company to be held in 2022 and to fix their remuneration and in this regard, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution.
SPECIAL BUSINESS	
6.	Special Resolution for Appointment of Shri Haridas Tricunddas Kapadia as an Independent Director
7.	Special Resolution for Appointment of Shri Madhu Thakorlal Ankleshwaria as an Independent Director
8.	Special Resolution for Appointment of Shri Arvind Wasudeo Ketkar as an Independent Director
9.	Ratification of Cost Auditor's Remuneration

Signed this day of 2019

Signature of the proxy holder(s)

Signature of the member

Affix
Revenue
Stamp

Notes:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2) A Proxy need not be a member of the Company.
- 3) A person can act as 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 proxy for any other person or shareholder.
- 4) This is only optional. Please put a in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitle to vote in the manner as he/she thinks appropriate.
- 5) Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
- 6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all joint holder should be stated.



THE DHARAMSI MORARJI CHEMICAL COMPANY LTD.

(Regd. Office : Prospect Chambers, 317/321, Dr. Dadabhoy Naoroji Road, Fort, Mumbai - 400 001)

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e-mail : dgokhale@dmcc.com Phone No.: 022-22048881-2-3 Fax No.: 022-22813657

ATTENDANCE SLIP

(To be presented at the entrance)

98TH ANNUAL GENERAL MEETING ON FRIDAY, 20TH SEPTEMBER 2019 AT 11.30 AM

at Indian Merchants' Chamber, Conference Hall (Walchand Hirachand Hall), IMC Marg,
Churchgate, Mumbai 400 020,

DP ID*: _____

Folio No: _____

Client ID*: _____

No. of Shares: _____

Name and address of Shareholder:

I hereby record my presence of the 98th ANNUAL GENERAL MEETING of the company held on Friday, 20th September, 2019 at 11.30 a.m. at Indian Merchant's Chamber, Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020.

*Applicable to Shareholders holding shares in electronic form

Note: Please fill the attendance slip and hand it over at the entrance of the Meeting Hall.

Signature of Shareholder/Proxy



Route Map



Land Mark : The AGM Venue viz. Walchand Hirachand Hall, is just opposite to the Churchgate Railway Station, Fort, Mumbai.



THE DHARAMSI MORARJI CHEMICAL CO. LTD.

ENVIRONMENTAL POLICY

**We are committed to continually improve
our performance in the identified**

ENVIRONMENTAL ASPECTS

**We shall comply with the statutory,
regulatory and intended**

ENVIRONMENTAL REQUIREMENTS

**Concerning the environmental protection,
by effective implementation of our**

ENVIRONMENTAL MANAGEMENT SYSTEM

And maintaining an

ENVIRONMENT FRIENDLY APPROACH

Environmental measures :-

- **Setting up Environmental Objectives and targets which will be monitored and reviewed in a timely manner to ensure the improvement.**
- **Reducing Pollution, waste generation and promotion of recycling.**
- **Employees, stakeholders, contractors, customers will be made aware of the Environmental Policy and importance of preservation of environment.**
- **Promotion of greening by tree plantation.**

CHIEF EXECUTIVE OFFICER

1/11/2012

Courier / Registered Post / Speed Post

If not delivered, please return to:

THE DHARAMSI MORARJI CHEMICAL CO. LTD.

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